

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 121- HB 411**

July 24, 2015

**SUMMARY OF BILL:** Reduces state-shared tax revenue for municipalities that annexed territory between April, 15 2013, and May 15, 2015, by the amount the municipality's revenue increased as a result of the annexation. Excludes annexations permitted pursuant to Tenn. Code Ann. § 6-51-122 or § 6-58-118.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The fiscal impact of this bill is dependent upon several unknown factors such as the number municipalities that annexed territory during the specified time period, the extent of any territory annexed, the value of the territory annexed, the extent of property tax collections before and after annexation, and the timing for any increased property tax revenue for any applicable annexing municipality.
- The Comptroller of the Treasury reports that, though operating currently on incomplete information, the office is of the opinion that no or very few annexations took place that the requirements of this bill would be applicable.
- Given the extent of unknown factors, a precise estimate for this bill cannot be determined.
- To the extent any municipality annexed territory during the stated time period, and property tax revenue for the annexing municipality increased as a result of such annexation, there would be a recurring decrease in local revenue to the annexing municipality and an offsetting recurring increase in state revenue, both of unknown amounts.
- However, given the Comptroller's opinion that few, if any, took place, the fiscal impact for the amended bill is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

/rnc