

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1041 - SB 1400

March 14, 2019

SUMMARY OF BILL: Prohibits a public entity from issuing or selling a bond, note or other debt obligation to any nongovernmental entity that has established a policy to decline services to licensed firearms manufacturers, distributors, or dealers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,442,000

Assumptions:

- Based on information provided by the Department of Treasury, the Investment Division sells debt instruments on the secondary market for the Tennessee Consolidated Retirement System (TCRS) and other funds.
- The Division can accommodate any administrative duties associated with the proposed legislation utilizing existing resources; however, the Division would incur losses should they not be authorized to sell bonds to entities that have a policy declining services to firearms companies.
- Based on data provided by the Division, the extent of bond sales to which this legislation will apply is \$2,883,928,425 relative to two entities.
- The estimated cost increase from not being able to utilize these two entities to sell such bonds on the secondary markets is estimated to be 0.05 percent.
- The recurring increase in state expenditures is estimated to be \$1,441,964 ($\$2,883,928,425 \times 0.05\%$).
- Based on information provided by the Comptroller, the proposed legislation will not have an impact on the current staffing in the Office of State and Local Finance; therefore, any fiscal impact 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 black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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