

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1586 - SB 2596

March 3, 2020

SUMMARY OF BILL: Requires the Department of Economic and Community Development (ECD) to implement a plan beginning July 1, 2021 and ending July 1, 2025 which requires two-thirds of all money distributed by the Department as grants and loans to be distributed to rural counties.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The impact to local government would be an offsetting shift of funds, from urban to rural counties, in the amount of \$16,098,700, beginning in FY21-22 and ending FY24-25.

Assumptions:

- According to ECD the FY19-20 budgeted amount of loans and grants to be distributed is \$173,103,900 with 57.4 percent going to rural counties.
- It is therefore estimated that the total shift from urban counties to rural counties would be \$16,098,663 [(\$173,103,900 x 66.7%) - (\$173,103,900 x 57.4%)].
- Because this does not create any new programs to be managed or administered, merely a shift in where the funds are allocated, it is estimated that submitting and implementing this plan would be absorbable within existing ECD staff and resources.

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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