

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2749 - SB 2799

February 23, 2020

SUMMARY OF BILL: Enacts the “Taxpayer Protection Act”. Defines terms associated with economic development subsidies. Requires public agencies awarding subsidies to cross-check job creation and other performance data submitted by recipients against information sources such as unemployment insurance records or to conduct period audits of such company submissions. Subjects recipient corporations to subsidy recapture if: 1) the corporation fails to achieve its job creation, wage, and healthcare requirements for the project site within two years of the date of subsidy; 2) the corporation fails to maintain its wage and benefit achievements as long as the subsidy is in effect, or for a period of five years, whichever is longer; or 3) the corporate parent of the recipient corporation fails to maintain, for the duration of the subsidy or for a period of five years, whichever is longer, at least ninety percent of its employment in the state.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, the amount of recaptured development subsidies by public agencies in any given year cannot be quantified with reasonable certainty. The fiscal impact and timing of such impact to state and local government is unknown.

Assumption:

- The proposed legislation sets forth specific rules and parameters for recapturing and rescinding subsidies. However, the extent to which the public agencies currently practice these procedures is unknown. Further the extent to which recipient corporations currently fail to achieve outlined requirements is unknown. Therefore, the amount of recaptured subsidies in any given year cannot be quantified with reasonable certainty.

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

/abw