TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

SB 14 – HB 67

January 31, 2019

SUMMARY OF BILL: Authorizes utility districts created under the *Utility District Law of 1937* to provide funding to certain nonprofit organizations, upon approval by the utility district's board of commissioners.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Permissive decreases in local revenue available for funding authorized and required operations performed by utility districts. Potential permissive decreases in local revenue available for locally operated organizations.

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-82-304(12)(A), such utility districts are authorized to allocate revenue to chambers of commerce and economic and community organizations.
- The proposed language would expand the organizations which the utility districts are authorized to allocate revenue to include 501(c)(3) nonprofit organizations which provide rescue services but not fire protection services within the utility district's service area.
- To the extent an applicable utility district elects to devote revenues to a qualifying nonprofit organization, there will be a permissive decrease in local revenue available for funding other operations authorized or required of the utility system.
- To the extent an applicable utility district shifts revenues previously allocated to chambers of commerce or economic and community organizations which are locally operated, there will be a permissive decrease in local revenue for such local organizations.
- Due to multiple unknown factors such as the number of applicable utility districts which will elect to devote revenues to a qualifying nonprofit organization, the extent of any revenues devoted to such organization, the extent of any shift in revenues previously devoted to locally operated chambers of commerce or economic and community organizations, and the timing of any shifts in revenue; a precise permissive decrease in local government revenue cannot reasonably be determined.

CERTIFICATION:

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

Krista Lee Carsner

Krista Lee Carsner, Executive Director

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