

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 769 - HB 1313

March 9, 2019

SUMMARY OF BILL: Authorizes the State Treasurer to make deposits to facilitate the Bank Local Community Deposit Program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$86,500

Other Fiscal Impact – An investment of up to \$40,000,000 in state funding in the form of deposits in financial institutions to be used for small business loans. Such investment, plus an unknown amount of earnings, will be recouped by the state.

Assumptions:

- The proposed legislation authorizes the State Treasurer to deposit up to \$40,000,000 of state funds in participating financial institutions as matching funds to qualified loans made by such institutions to small businesses in this state. Any such deposit is subject to the general appropriations act.
- It is unknown what amount up to \$40,000,000 would be allocated for use in this program, or what amount of earnings or interest could be realized.
- However, it is assumed that the full amount of the deposit will be paid back to the state.
- The Department of Treasury will require one full-time Manger 3 position for program operations and program compliance monitoring. The recurring increase in state expenditures is estimated to be \$86,526 (\$60,000 salary + \$16,526 benefits + \$10,000 travel, training, workstation support, etc.).

IMPACT TO COMMERCE:

Other Commerce Impact – Due to multiple unknown factors, any impact on commerce and jobs in this state cannot be quantified with reasonable certainty; but is generally considered to be positive.

Assumptions:

- Authorizing the State Treasurer to deposit up to \$40,000,000 of state funds in financial institutions to be used for small business loans will result in a significant impact to commerce and jobs in Tennessee.
- However, due to multiple unknown factors associated with the precise amount of any such investment and specifics regarding small business loans, the precise impact cannot be quantified with reasonable certainty, but is considered to be positive.

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". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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