

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: January 30, 1996

SUBJECT: **HB 2034 - SB 2097**

This bill, if enacted, will direct the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to annually conduct and maintain an inventory of needed infrastructure within the state. Each of the nine development districts will contract with TACIR to compile this information on a county by county basis. Each development district will receive five cents per capita, or \$50,000 whichever is greater, as compensation. The Commission (TACIR) will retain one and one-half cents per capita for administration expenses.

Any funds up to 10% of remaining impact fee funds from the Tennessee State Revenue Sharing Act are to be used to pay the development districts and the TACIR for implementation of this bill.

The fiscal impact from enactment of this bill is estimated to be an increase in first year state expenditures of \$539,089 of which \$461,460 will be for development districts and \$77,629 will be for TACIR for administration purposes. This represents the amount of funds needed to fully implement the provisions of the bill.

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The enactment of this bill is also estimated to be an increase in first year state revenues of \$304,572 to administer the infrastructure project and to contract with the development districts. This is the amount that will be generated by 10% of the Impact Fee Funds from the Tennessee State Revenue Sharing Act.

Enactment of this bill is also estimated to be that local governments will forgo revenues of \$304,572 which is the amount of funds, in the absence of this bill, that would be redistributed to county and municipal governments under the Tennessee State Revenue Sharing Act.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director