



March 20, 2021

SUMMARY OF ORIGINAL BILL: Authorizes various changes to the budget and authority of joint Economic and Community Development Boards (Boards). Requires Boards to submit a report describing its activities and expenditures to the Department of Economic and Community Development (ECD) and for such report to be published on ECD's website.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Permissive increases in local government revenue and expenditures may occur; however, the extent and timing of such impact cannot be determined due to multiple unknown variables.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Commerce Impact – Due to multiple unknown variables, a precise impact on commerce and jobs in this state cannot be quantified with reasonable certainty.

SUMMARY OF AMENDMENT (005478): Deletes and replaces language of the original bill to remove the requirement that Boards annually report to ECD and removes the ability of participating governments to enter into agreements with non-government members to contribute to the funding of the activities of the Boards.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Permissive increases in local government expenditures may occur; however, the extent and timing of such impact cannot reasonably be determined due to multiple unknown variables.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 6-58-114, the Boards are:
 - Established in each county through an interlocal agreement with all cities lying within the county's boundaries;
 - Composed of county and city officials, private citizens, and present industries and businesses;

- Funded jointly by the participating local governments; and
- Created to foster economic and community development and authorized to transfer or donate funds to public or nonprofit entities within the county for economic or industrial development purposes.
- The proposed language authorizes the Boards to contract with industrial development corporations, development districts, human resource agencies, nonprofit corporations, and private businesses to deliver services that further economic growth within their community, including those initiatives that are not directly related to economic growth but hinder development, such as drug abuse and crime; and
- Authorizing the Boards to contract with such public and private entities to deliver services may result in permissive increases in local government expenditures; however, the extent of any such permissive increase will be dependent upon the number of contracts and their terms.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation authorizes the Boards to contract with industrial development corporations, development districts, human resource agencies, nonprofit corporations, and private businesses to deliver services that further economic growth within their community, including those initiatives that are not directly related to economic growth but hinder development, such as drug abuse, crime, and rates of recidivism.
- Due to multiple unknown variables, a precise impact to commerce and jobs associated with the delivery of such services cannot be quantified with reasonable certainty.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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