

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1750 - HB 1834**

March 8, 2024

**SUMMARY OF BILL:** Requires local governments issuing debt under the *Local Government Public Obligations Act of 1986* or the *Public Building Authorities Act of 1971* to seek approval from the Comptroller of the Treasury (COT) prior to issuing, under certain circumstances. Requires the State Funding Board (SFB) to develop policies regarding financial risks to local governments and to prescribe the required contents of any requests for approval submitted to the COT.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Local governments issuing debt will be required to seek approval from the COT prior to issuance if the debt: (1) poses a heightened financial risk to the local government issuing it; or (2) is issued by a local government experiencing financial difficulties.
- The SFB will handle the increase in responsibilities utilizing existing staff and resources, resulting in no significant impact to state expenditures.
- According to the COT, only two local governments experienced significant debt burdens as of June 30, 2022.
- Requiring local governments to seek approval from the COT prior to issuing certain debt will not significantly impact state or local operations.
- Any fiscal impact to state or local government is estimated to be not significant.

**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

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