

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2337 - SB 2457

March 9, 2024

SUMMARY OF BILL: Requires the Tennessee Housing Development Agency (THDA) to increase the payment standard amount for the monthly housing assistance payment under the Federal Housing Choice Voucher Program to the maximum federal law allows.

FISCAL IMPACT:

Other Fiscal Impact – The precise impact on the THDA voucher program is unknown and cannot be reasonably determined due to multiple unknown factors.

Assumptions:

- The maximum amount of rent paid under the program is based on a payment standard established by the local Public Housing Agency.
- The payment standard is further based on the fair market rent for the area and varies based on the number of bedrooms and location of the rental unit.
- The maximum amount of subsidy that a voucher holder can receive is based on this payment standard.
- According to THDA, the program currently assists with 6,233 housing choice vouchers and has paid a total of \$45,030,431 in subsidy payments.
- THDA provides this federal program for the state at a loss, with the agency making up the difference in administrative costs out of its own funds.
- The current program is unable to serve all qualifying individuals. Based on information previously provided by THDA, there are approximately 12,976 individuals on the waitlist. Estimated cost to serve the entire current waitlist is \$109,502,907. Therefore, subsidy increases, as required by this legislation, would require General Fund appropriations.
- The maximum allowed by the federal program is unknown; therefore, the precise increase cannot be reasonably determined.
- Alternatively, if such increases are accommodated within the existing program funding, fewer families will be served. According to THDA, maximizing payments also has the potential to adversely affect federal funding in future calendar years for not following federal rules or program guidelines.

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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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