

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1559**

January 15, 2020

**SUMMARY OF BILL:** Establishes timelines and restrictions regarding the creation of certain special districts within local governments. Authorizes members of the General Assembly to decline ex-officio appointments to the board of directors for certain corporations or appoint a designee to serve in their stead.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed language applies to Central Business Improvement Districts (CBID) created pursuant to the 1990 Act and Inner-City Redevelopment Districts (ICRD).
- Pursuant to Tenn. Code Ann. § 7-84-511 and § 7-84-611, CBIDs and ICRDs may be established one of two ways:
  - Either by a petition filed containing the signatures of a majority of property owners of real property located within the proposed district; or
  - Adoption of a resolution by the local governing body.
- The proposed language would establish the following timelines and restrictions:
  - A statement of intent must be filed with the local governing body prior to collecting signatures for a petition. The required number of signatures would have to be collected in a period of one year; and during that year the applicable local governing body would be prohibited from adopting a resolution establishing the CBID or ICRD.
  - If the required number of signatures are not collected within the one-year period, then no other petition may be filed and no resolution may be adopted by the local governing body for one year following.
- Establishing such timelines and restrictions on the creation of CBIDs and ICRDs is not estimated to result in any significant fiscal impact to local government.
- Pursuant to Tenn. Code Ann. § 7-84-519 and § 7-84-619, CBIDs and ICRDs are governed by corporations established by the local governing body. The Senator and Representative within whose district the CBID or ICRD is to be located are subsequently appointed to serve as ex-officio members on the board of directors of the corporation.
- The proposed legislation authorizes the appointed Senator and Representative to decline appointment or appoint a replacement designee.

- Legislative members do not currently receive per diem for attending such meetings; therefore in any instance where a legislative member would decline such a board appointment, the fiscal impact to state government is considered 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". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jrh