

SB 646 – HB 1278

FISCAL NOTE



Fiscal Review Committee
Tennessee General Assembly

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SUMMARY OF BILL: Creates the Hurricane Helene Disaster Recovery Fund (Fund) to pay county recovery grants for infrastructure engineering and general flood damage expenses as well as direct assistance recovery grants for household needs in eligible counties. Allocates specific grant amounts to designated counties and requires counties to distribute direct assistance on a first-come, first-served basis, with application processes and auditing requirements to ensure accountability. Limits fund use to Hurricane Helene recovery, with eligibility restricted to local governments in federally declared disaster areas and direct assistance available only to affected households.

Authorizes the Tennessee Emergency Management Agency (TEMA) to administer grants from the Fund and requires TEMA to develop a standardized application form for household assistance within 15 days of the act's effective date. Requires counties to oversee the administration of direct assistance recovery grants, including processing applications and distributing funds for property repairs, personal losses, and rent or utility payments. Authorizes the use of grant funds to hire temporary staff. Mandates compliance with auditing and reporting requirements, including record-keeping for Comptroller of the Treasury review, publishing an aggregated fund distribution report, and adhering to set timelines for application, review, and disbursement.

FISCAL IMPACT:

STATE GOVERNMENT	
REVENUE	Hurricane Helene Disaster Recovery Fund
FY25-26	\$200,000,000

EXPENDITURES	General Fund
FY25-26	\$200,000,000

LOCAL GOVERNMENT	
REVENUE	Permissive
FY25-26	\$200,000,000

Assumptions:

- The proposed legislation expresses legislative intent that the Fund consists of an initial appropriation of \$200,000,000 from the General Fund. The fiscal analysis assumes such appropriation will be made in FY25-26.
- The increase in state expenditures of \$200,000,000 from the General Fund will be divided as follows: \$100,000,000 will be utilized for county recovery grants and \$100,000,000 will be utilized for direct assistance recovery grants.
- Monies in the Fund may be expended in response to flood damage caused by Hurricane Helene in specified counties. The counties and their specific funds, as appropriated in this legislation, are as follows:

County	County Recovery Grants
Johnson	\$15,000,000
Carter	\$20,000,000
Washington	\$10,000,000
Unicoi	\$15,000,000
Green	\$17,000,000
Sullivan	\$5,000,000
Cocke	\$15,000,000
Hawkins	\$3,000,000
Total	\$100,000,000

- Subject to fund availability, TEMA will distribute grants to counties based on factors such as population, property damage, and demonstrated need.
- The total increase in local revenue from the Fund will be \$200,000,000 in FY25-26.
- It is unknown whether any federal funds or funds from other sources will be available to be deposited to the Fund. This fiscal analysis assumes no such funding will be available.
- Any additional local expenditures for the administration of these grants will be paid for by the Fund.

CERTIFICATION:

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



Bojan Savic, Executive Director