



March 11, 2024

**SUMMARY OF BILL AS AMENDED (015145):** Allocates 1.40 percent of state sales tax revenue collected within each county to the counties that experienced either a 20 percent or more increase in population from the 2010 federal census to the 2020 federal census, or the county experiences a 20 percent growth or more between any subsequent federal decennial censuses, or a 9 percent or more increase in population over the immediately preceding consecutive four-year period according to a special census. Requires such counties to earmark the funds for the purposes of education facility maintenance, construction, infrastructure, and debt issued for such projects. Repeals the allocation July 1, 2029.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Decrease State Revenue – \$22,891,500/Each Year FY24-25 through FY28-29**

**Increase Local Revenue – \$22,891,500/Each Year FY24-25 through FY28-29**

Assumptions for the bill as amended:

- Fiscal Review Committee (FRC) staff estimates sales tax collections will grow 3.21 percent in FY23-24 and 4.14 in FY24-25 and is assumed to stay constant into perpetuity.
- This legislation will require 1.40 percent of the state sales tax be allocated to counties that meet the population growth requirements.
- Pursuant to Tenn. Code Ann. § 67-6-103(a), 5.5 percent of sales and use taxes are subject to allocations to the General Fund; furthermore, the 1.5 percent of collections in Tenn. Code Ann. § 67-6-103(c) are not subject to the 1.40 percent allocation imposed by the legislation.
- Based on U.S. Census Bureau population and associated growth rate estimates, the qualifying counties are Trousdale, Williamson, Rutherford, Wilson, Montgomery, Maury, and Sumner.

- The recurring collections allocated to such counties are as follows:

State Sales Tax Collections		Estimated Collections		Estimated Allocations Beginning FY24-25	
County	FY22-23	FY23-24	FY24-25	5.5% Subject to Allocation	Additional 1.40% Allocation
Trousdale	\$4,517,696	\$4,662,714	\$4,855,750	\$3,815,232	\$53,413
Williamson	\$514,543,482	\$531,060,328	\$553,046,225	\$434,536,320	\$6,083,508
Rutherford	\$549,748,265	\$567,395,184	\$590,885,345	\$464,267,057	\$6,499,739
Wilson	\$219,615,437	\$226,665,093	\$236,049,028	\$185,467,093	\$2,596,539
Montgomery	\$266,918,144	\$275,486,216	\$286,891,345	\$225,414,628	\$3,155,805
Maury	\$149,622,155	\$154,425,026	\$160,818,222	\$126,357,174	\$1,769,000
Sumner	\$231,198,307	\$238,619,773	\$248,498,631	\$195,248,925	\$2,733,485
<b>Totals</b>	<b>\$1,936,163,485</b>	<b>\$1,998,314,333</b>	<b>\$2,081,044,547</b>	<b>\$1,635,106,430</b>	<b>\$22,891,490</b>

- For the purposes of this analysis, it is assumed the counties will remain the same through FY28-29. However, with shifts in population and locally generated sales tax revenue, in accordance with this legislation, not only will the dollar amount allocated to the counties change, but the counties receiving this allocation may change.
- The decrease in state revenue and corresponding increase in local revenue is estimated to be \$22,891,490 in each year FY24-25 through FY28-29.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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