

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3675 – HB 3718

April 1, 2010

SUMMARY OF AMENDMENT (015695): Deletes the original language of the bill. Requires any facility that extracts, purifies, dehydrates, or treats landfill methane as a substitute for natural gas to be considered a qualified pollution control facility for the purpose of assessing value for ad valorem taxes.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue – Exceeds \$300,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Private entities with tangible property that treat or extract methane for use as a natural gas substitute or for other commercial use, operate facilities on three landfills owned by local governments.
- Based on information provided by the Comptroller, this bill will effectively reduce the tax rate on tangible personal property for these entities to 0.5 percent.
- According to the Comptroller of the Treasury, reducing the tax rate on tangible personal property to 0.5 percent will result in a decrease to local government revenue exceeding \$300,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/agl

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