

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3690 - SB 3617

March 2, 2010

SUMMARY OF BILL: Authorizes counties with a charter form of government to assess a trailer privilege tax only after a two-thirds vote of the county legislative body at two consecutive and regularly scheduled meetings and approval by a majority voters in the county. Requires that the resolution be printed on all ballots. Requires the county election commission to canvass and certify all votes. Requires counties to establish a method to identify and register trailers subject to the tax and to provide a decal or emblem to be affixed upon the trailer. Creates a Class C misdemeanor for owners not paying the tax.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – \$609,500/Permissive

Increase Local Expenditures – Not Significant/Permissive

Assumptions:

- There are two counties with a charter form of government (Shelby and Knox).
- According to the Department of Revenue, there are 12,314 trailers registered in Shelby County and 5,540 trailers registered in Knox County.
- If Shelby and Knox Counties assess a tax on trailers, it will be equal to their existing wheel tax. The wheel tax in Shelby County is \$36 and \$30 in Knox County resulting in an increase to local government revenue of \$609,504 [(12,314 x \$36) + (5,540 x \$30)].
- Local governments currently register trailers. Any staff or administrative time required to assess and collect taxes will not result in a significant increase to local government expenditures.
- There will not be a sufficient number of prosecutions for state or local governments to experience any significant increase in revenue or expenditures.

CERTIFICATION:

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

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/agl