

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 3675 - HB 3718**

March 5, 2010

**SUMMARY OF BILL:** Defines landfill methane as a pollutant if it is released directly into the atmosphere or burned in a flare, unless utilized as a natural gas substitute or other energy or commercial use. 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.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Revenue – Exceeds \$300,000**

Assumptions:

- 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:**

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

A handwritten signature in black ink that reads "James W. White".

James W. White, Executive Director

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