

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 39 – HB 206

February 14, 2011

SUMMARY OF BILL: Extends the time period, from two to five years, that permanent disabled parking placards are valid. Increases from \$3.00 to \$7.50 the renewal fee for permanent disabled parking placards.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$491,400/FY11-12, FY12-13, and FY13-14

Increase State Revenue – \$737,100/FY14-15 and FY15-16

Decrease State Expenditures – \$36,500/FY11-12, FY12-13, and FY13-14

\$21,900/FY16-17 and Subsequent Years

Other Fiscal Impact –The net impact to state revenue over any five year period will be zero because the cumulative loss of revenue during the first three years is offset by the cumulative increase during the last two years.

Assumptions:

- According to the Department of Revenue, approximately 163,800 placards are issued each year.
- There will be no renewals in FY11-12 through FY13-14.
- Placards that were issued in FY09-10 and FY10-11 will be renewed in FY14-15 and FY15-16 respectively.
- The precise number of placard renewals each year cannot be reasonably estimated for FY16-17 and subsequent years.
- There will be a decrease in state revenue of approximately \$491,400 ($\$3.00 \times 163,800$) each year, FY11- 12 through FY13-14.
- As a result of the fee increase, there will be an increase in state revenue of \$737,100 ($\$4.50 \times 163,800$) in FY14-15 and FY15-16.
- The state cost of producing a parking placard is approximately \$0.223.
- There would be a decrease in state expenditures of approximately \$36,500 ($\$0.223 \times 163,800$) each fiscal year, FY11-12 through FY13-14, due to the reduction in the number of placards produced. No change to state expenditures in FY14-15 and FY15-

16. A decrease in expenditures will resume beginning in FY16-17 estimated to be \$21,900 per year $[(\$36,500 \times 3) / 5]$.

CERTIFICATION:

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



James W. White, Executive Director

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