

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 3643 - HB 3687

February 11, 2012

**SUMMARY OF BILL:** Requires the Department of Finance and Administration (F&A) to develop and implement an electronic permit and tracking system to allow applicants to track the status of all permits and licenses issued by state departments. Requires every department to issue a tracking number to each applicant. Requires F&A to track the volume of work completed and the revenue generated by each department. Requires F&A to prepare annual performance reports for each permit and license type to be sent to each member of the General Assembly, the Governor, the Comptroller of the Treasury, and the commissioner of any department where permits are issued pursuant to this system.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$25,500,000/One-Time  
\$5,250,000/Recurring**

Assumptions:

- Based on information provided by F&A, there will be at least 14 state agencies issuing permits or licenses that will need to modify their existing licensing systems for the purpose of interfacing with the new permit and tracking system required of F&A.
- State costs will be incurred for the creation of one new system in F&A and for modifications made to at least 14 other agency systems; therefore, work will be required for an estimated 15 systems.
- The Department of Health (DOH) is currently replacing its licensing system at a one-time cost of \$1,700,000 and recurring costs of \$350,000 for operating fees.
- The cost for the DOH to replace its licensing system is representative of the costs that will be incurred by F&A to create the new required permit and tracking system, as well as the cost for other state agencies to modify their existing systems.
- A one-time increase in state expenditures of \$25,500,000 (15 systems x \$1,700,000).
- A recurring increase in state expenditures of \$5,250,000 (15 systems x \$350,000).

**CERTIFICATION:**

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

A handwritten signature in black ink, appearing to read "Tim D. Givens".

**SB 3643 - HB 3687**

Lucian D. Geise, Executive Director

/jaw