

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 24 – HB 234

March 15, 2015

**SUMMARY OF ORIGINAL BILL:** Exempts climbing walls from registration and regulation as an amusement device with the Department of Labor and Workforce Development (DLWD).

FISCAL IMPACT OF ORIGINAL BILL:

Forgone State Revenue –  
Exceeds \$7,400/Department of Labor and Workforce Development

IMPACT TO COMMERCE OF ORIGINAL BILL:

Business Expenditures – Cost Avoidance – Exceeds \$7,400

**SUMMARY OF AMENDMENT (003562):** Deletes and rewrites the bill such that the only substantive change is removal of language that specifies climbing walls must be used for sport and fitness training, located in educational facilities, gymnasiums, recreational facilities, or other facilities devoted to sport and recreational activities, training, or instruction.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- DLWD confirms that rock climbing walls are not currently permitted or inspected as amusement devices, but the department is currently taking steps to begin such permitting and inspecting under current law.
- DLWD reports 16 rock climbing walls are currently in operation.
- Given DLWD does not currently permit or inspect rock climbing walls as amusement devices; there may be an additional unknown number of businesses operating rock climbing walls. It is estimated that at least five additional rock climbing walls are in operation. Therefore, a minimum of 21 (16 + 5) rock climbing walls in Tennessee.
- DLWD reports future fees assessed on rock climbing wall businesses will be as follows if current law is unchanged; the amusement device fee will be \$200 annually and a permit application fee will be \$150 annually.
- Given the state does not currently collect any permit or inspection fee revenue, and the provisions of this bill will prevent the collection of such revenue in the future; the fiscal

**SB 24 – HB 234**

impact for the bill is forgone state revenue. Forgone state revenue is estimated to exceed \$7,350 [(\$200 x 21) + (\$150 x 21)] per year.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumption for the bill as amended:

- Enactment of this bill will allow businesses that operate rock climbing walls to avoid expenditures that would be incurred in the future under current law. As a result, the cost avoidance of business expenditures is estimated to exceed \$7,350 [(\$200 x 21) + (\$150 x 21)] per year.

**CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

/dwl