

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 907 – HB 992

March 31, 2015

**SUMMARY OF ORIGINAL BILL:** Enacts the Transportation Network Company Services Act, for the purpose of establishing rules, regulations, and guidelines for transportation network companies (TNCs) operating within the state.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

Forgone Local Revenue – Exceeds \$20,000 per year/Permissive

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Expenditures – Unknown

Jobs Impact – Not Significant

**SUMMARY OF AMENDMENT (005700):** Deletes and rewrites the bill in its entirety. Enacts the Transportation Network Company Services Act, for the purpose of establishing rules, regulations, and guidelines for transportation network companies (TNCs) operating within the state.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Metro-Nashville Davidson County (MNDC) confirms plans to begin charging any operating TNC an annual fee of \$4,250.
- There are at least two TNCs operating in MNDC. Passage of this amended bill will prevent the county from going forward with its current plans to, permissively, charge this fee.
- MNDC estimates that passage of this bill would cause them to forgo approximately \$8,500 per year.
- Assuming similar plans are currently being negotiated in Chattanooga, Knoxville, and Memphis, and further assuming this bill would prevent the collection of any future fees

for these cities, the total forgone amount of revenue could exceed \$20,000 per year statewide.

- This bill places no regulatory responsibility on any state department or agency; therefore, any impact to state revenue or expenditures is considered not significant.
- In addition, the bill places no regulatory responsibilities on any local government entity; as a result, any change in current local revenue or current local expenditures is considered not significant.
- The bill establishes the legal framework for any such TNC to self-regulate.
- Any other impact as a result of this bill will be borne by private parties.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

### **Unchanged from the original fiscal note**

Assumptions for the bill as amended:

- TNCs are already operating in the four largest municipalities in the state under similar conditions.
- This bill will require additional business expenditures for ensuring compliance with the act; however, the extent of any such increased business expenditures is unknown and dependent upon the extent to which any TNC complies with the act.
- Given companies currently operate within the state as TNCs, any impact to jobs is considered not significant.

## **CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

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