

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2134 – HB 2339

February 22, 2016

SUMMARY OF ORIGINAL BILL: Requires each location used by a scrap metal dealer to pay a biennial fee of \$500, accompanying such location's application for licensure or renewal of a license.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$71,500/One-Time

IMPACT TO COMMERCE OF ORIGINAL BILL:

Increase Business Expenses – \$71,500/One-Time

SUMMARY OF AMENDMENT (011871): Deletes all language of the original bill. Requires each location used by a scrap metal dealer to pay to the Department of Commerce and Insurance a biennial fee of \$500, accompanying such location's application for licensure or renewal of a license. Requires the proceeds of such fee, after any expenses associated with the collection and processing of such payments, including payments of any administrative costs back to the Regulatory Boards Division, to be transferred to the General Fund. Establishes that the biennial fee will only be imposed until June 30, 2017.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 62-9-102(a), scrap metal dealers are required to register each location before engaging in the scrap metal business in the state. All registrations are set to expire two years from the date of the registration or the renewal of the registration.
- Pursuant to Tenn. Code Ann. § 55-3-202(i)(1), each motor vehicle dismantler and recycler is required to pay a biennial fee of \$500, accompanying such businesses' application for licensure or renewal of a license. All fee collections, less any collections used to offset any expenses associated with the collection and processing of such

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payments by the Tennessee Motor Vehicle Commission, are to be transferred to the General Fund for the implementation and administration of the reporting systems.

- Pursuant to Tenn. Code Ann. § 55-3-202(i)(2), the biennial fee of \$500 will only be imposed until June 30, 2017.
- The proposed legislation subjects each location used by a scrap metal dealer to the same fee.
- It is estimated that there are 286 scrap metal licensees in the state. Half of those, or 143 licensees, will renew their licenses in FY16-17, and will be required to pay the \$500 fee. The other half will renew their licenses in FY17-18 and will not be subject to the fee.
- The increase in state revenue to the General Fund in FY16-17 is estimated to be \$71,500 (143 x \$500).
- Any increase in expenditures to the Department of Commerce and Insurance associated with the collection and processing of such payments is estimated to be not significant and can be accommodated within existing resources of the Department.
- The imposition of the additional fee will not result in a significant decrease in the number of scrap metal dealer locations that will seek licensure or renewal of a license.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

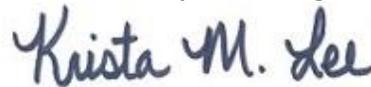
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- One hundred forty three scrap metal dealer licensees will pay the additional \$500 fee in FY16-17, for a one-time increase in business expenses of \$71,500 (143 x \$500).
- Any other impact to commerce, and any change to the number of Tennessee jobs, is estimated to be not significant.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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