

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1460 – HB 1526

March 11, 2016

SUMMARY OF ORIGINAL BILL: Adds accident rates as a factor to be considered by the Commissioner of the Department of Transportation (TDOT) when selecting local road projects to receive state-aid funds. Authorizes TDOT to give higher priority to bridges with higher volumes of traffic or higher accident rates when selecting local bridge projects to receive state-aid funds.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013463): Deletes all language of the original bill. Enacts the *Local Option Transportation Improvement Act* authorizing counties to levy a transportation improvement surcharge to fund costs associated with the planning, development, implementation, operation, and maintenance of transportation facilities or systems serving the general public or freight carriers. Establishes authorized uses of surcharge funds.

Requires a joint resolution establishing support for the use of the surcharge to be adopted by jurisdictions representing at least 50 percent of the residential population within the county prior to any imposition of such surcharge.

Authorizes revenue from the local surcharge to be: (1) combined with other funding generated by the local, state, or federal governments from taxes, fees, fares, or tolls and to be used to match state and federal grants; (2) combined with private monies allowed by law for public-private initiatives; (3) pledged to the payment of bonds issued for transportation projects; and (4) directed to other public entities that are more equipped to carrying out the Act.

Requires that no surcharge shall take effect until it is approved by resolution by two-thirds vote of the county legislative body at two consecutive, regularly scheduled meetings; or a majority of qualified voters of the county in an election.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Permissive and recurring increases in local revenue for counties that elect to impose transportation improvement surcharges and permissive and recurring increases in local expenditures to administer any such surcharge imposition. Due to multiple unknown factors, such permissive impacts to local revenue and expenditures cannot be quantified with reasonable certainty.

Assumptions for the bill as amended:

- The proposed bill as amended authorizes counties to levy a transportation improvement surcharge to fund costs associated with the planning, development, implementation, operation, and maintenance of transportation facilities or systems serving the general public or freight carriers, if approved by resolution by two-thirds vote of the county legislative body or a majority of qualified voters of the county in an election.
- The number of counties that will elect to levy a transportation improvement surcharge, the amount of any such surcharge, the taxable base on which the surcharge would be imposed upon, and the timing of any such levy are unknown.
- As a result, any permissive increase in local revenue resulting from such surcharge and any permissive increase in local expenditures incurred in administering the surcharge cannot be quantified with reasonable certainty.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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