

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1650 – SB 1716

March 28, 2016

SUMMARY OF ORIGINAL BILL: Prohibits gasoline tax revenue distributed to the Highway Fund, counties, and cities from being used for the construction, improvement, or maintenance of a right-of-way or other facility that is open to the use of the public for non-vehicular travel, such as pedestrian and bicycle trails, lanes, and paths, sidewalks, parks, and greenways. Prohibits such revenue from being used to provide the required match for the federal funds or to otherwise ensure the state's use of the federal funds for such purpose. Requires such revenue to be used solely for construction, improvement, and maintenance of highways, bridges, and other transportation infrastructure that is open to the use of the public for vehicular travel.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – According to the Department of Transportation, this bill would result in a violation of the Americans with Disabilities Act and the Rehabilitation Act and would jeopardize federal funding from the Federal Highway Administration. The Department anticipates receiving \$874,863,555 in FY16-17 and \$893,770,525 in FY17-18. Further, the bill could result in a decrease in federal funding available to municipalities. The extent and timing of any such decreases cannot be determined with reasonable certainty.

SUMMARY OF AMENDMENTS (013220, 015007): Amendment 013220 deletes all language except for the effective date clause. Prohibits gasoline tax revenue distributed to the Highway Fund, counties, and cities from being used for the construction, improvement, or maintenance of pedestrian and bicycle trails and paths, parks, greenways, and similar facilities open to the use of the public for non-vehicular travel, and for public roads with a posted speed limit greater than 35 miles per hour. Such prohibition does not apply to the construction, improvement, or maintenance of sidewalks. For new or reconstructed roads with a proposed posted speed limit of 35 miles per hour or less, prohibits such revenue from being used for the construction of a new dedicated bicycle lane unless the work is part of the larger highway improvement project and the bicycle lane serves a transportation purpose supported by an engineering analysis.

Establishes that this bill as amended does not prohibit the state, a county, or a city from receiving or using federal funds for the construction, improvement, maintenance, or operation of non-vehicular facilities, or from using gasoline tax revenue to match any federal-aid funding for such facilities. Further establishes that this bill as amended does not prohibit such entities from using gasoline tax revenue to maintain existing bicycle lanes or to accommodate bicycles in existing

bike lanes or on shoulders or via shared lanes, and it does not prohibit the Department of Environment and Conservation from using funds that may be derived through grants from the Department of Transportation or federal programs for recreational trails in state parks.

Amendment 015007 adds language to the bill as amended by amendment 013220 to establish that nothing in this Act shall preclude the Tennessee Wildlife Resources Agency from using gasoline tax funds distributed to the Wildlife Resources Fund pursuant to Tenn. Code Ann. § 67-3-901(g) for purposes authorized pursuant to the Tennessee Boating Safety Act of 1965.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

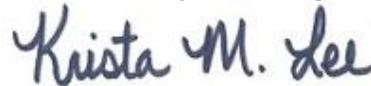
NOT SIGNIFICANT

Assumptions for the bill as amended:

- According to the Department of Transportation, the bill as amended will not result in a significant fiscal impact to the state government.
- Prohibiting counties and cities from using gasoline tax revenue for certain specified purposes will require them to utilize other local revenue, if available, for such projects. However, any fiscal impact on total local government funding and expenditures is estimated to be not significant.
- The state, counties, and cities will not be prohibited from using federal funding or from using gasoline tax funding as a match to draw down federal funding for any projects involving non-vehicular facilities.
- Any funding available from the Highway Fund, the use of which would be prohibited for certain uses under the provisions of the bill, will shift to other projects not prohibited by this legislation. However, there will be no change in the amount of funding available from the Highway Fund.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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