

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 124 – SB 563

February 24, 2015

SUMMARY OF BILL: Authorizes county clerks to charge a fee up to \$5.00 for each live vehicle title printing service provided as well as for any online service provided. Authorizes county clerks to enter into agreements with third party service providers to facilitate online services available through the county clerk's website. Authorizes third party service providers to charge transaction fees for optional online services or live title printing services. Requires any such transaction fee under a third party contract to be paid to the third party service provide and not be retained by the applicable county clerk.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Exceed \$46,800

Other Fiscal Impact – There will be permissive increases in local government revenue and permissive increases in local government expenditures of unknown amounts. Any such permissive impacts cannot be determined for such impacts are dependent upon multiple unknown factors.

Assumptions:

- The fiscal impact of this bill is dependent upon several unknown factors such as the number of county clerks that will elect to charge a fee up to \$5.00 for any title printing service or any online service which is currently provided for which no fee is collected; the extent to which county clerks, who do not currently provide such services, begin providing such services and charging a fee authorized by the provisions of this bill; the extent of any such fee adopted by a county clerk; the extent of services that are currently being provided by the county clerks that will adopt a fee for such services, the extent of services that will be provided by any county clerk that begins providing such services; the extent to which county clerks have contracted with a private third party for provision of services under current law; and the extent to which county clerks will contract with a private third party for provision of services under this bill.
- Despite any precise impact to local governments being dependent upon multiple unknown factors, it is reasonable to assume that many county clerks will elect to perform these services, and elect to charge a fee for such services, as a result of the proposed authorization to charge a fee; therefore, the bill will result in permissive increases in local expenditures of an unknown amount for administering such services, and permissive increases in revenue of an unknown amount as a result of adopting a fee

for providing such services. Given the extent of unknown factors, any such permissive impacts cannot be determined.

- Pursuant to Tenn. Code Ann. § 55-3-114(a)(3-4), the Department of Revenue provides each county clerk that issues a certificate of title a sum of \$2.35 per title. This fee is not anticipated to change as a result of this bill because this section of statute is not affected by this bill.
- At least one county, Sevier County, uses a third party service provider which charges a fee for each title printed to the county.
- According to the Sevier County Clerk, the county receives the \$2.35 per title printed from the Department of Revenue pursuant to Tenn. Code Ann. § 55-3-114(a)(3-4), of which the county currently pays \$2.00 to its third party service provider; further, the Sevier County Clerk reports that the clerk's office prints approximately 1,950 titles per month.
- The Sevier County Clerk reports that under this bill, allowing the third party service provider to charge transaction fees will take the place of any state funds for which the county clerks currently pay to the third party service provider.
- There may be additional county clerk offices that have similar contracts with third party service providers; however the extent is unknown. As a result, the recurring decrease in local expenditures for local government is estimated to exceed \$46,800 (\$2.00 x 1,950 x 12 months).

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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