

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2516 - SB 2491**

February 29, 2016

**SUMMARY OF BILL:** Requires the Department of Environment and Conservation (TDEC) to promulgate rules in accordance with Uniform Administrative Procedures Act to create a database of an interactive information clearinghouse that includes a tracking identification system for tires sold by dealers. Defines dealer as every person engaged in the sale of new tires in this state, including persons making sales by mail or common carrier into Tennessee and having a constitutional nexus with Tennessee for sales tax purposes. Deletes the Solid Waste and Recycling Advisory Committee.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$266,900/Tire Environmental Fund**

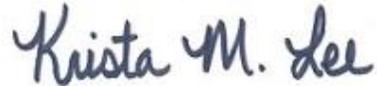
Assumptions:

- The tracking identification system will track tires that are sold by dealers by the use of an RFID chip and such data will be sent electronically to TDEC.
- It is assumed that any costs of any software maintained by the dealer would be borne by the dealer through fees or payment system.
- According to TDEC, the Department will need three additional information technology staff positions to research, develop, implement, and administer the tracking identification system which includes a database administrator, programmer analyst, and an IT support specialist.
- The recurring increase in state expenditures for the three additional positions is estimated to be \$259,198 (\$168,744 salary + \$57,904 benefits + \$32,550 supplies, training, travel, office, and computer and telecommunications).
- Based on the information provided by TDEC, the tracking identification system will be housed on a virtual server resulting in a recurring increase in state expenditures of \$7,680 for such server and associated support of the server.
- The total recurring increase in state expenditures is estimated to be \$266,878 (\$259,198 for 3 additional positions + \$7,680 for tracking identification system server).
- The proposed legislation is assumed to require the tracking identification system to become operative January 1, 2017. As a result, all three additional positions will be added at the beginning of FY16-17, in order to develop the system prior to its effective date requirement.

- Abolishment of the Solid Waste and Recycling Advisory Committee will not result in a significant decrease in state expenditures as, pursuant to Tenn. Code Ann. § 68-211-807(e), the Committee was set to cease to exist no later than February 15, 2015. The Committee members served on the Committee without compensation or travel reimbursement.

**CERTIFICATION:**

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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