

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1694 – HB 2456**

February 1, 2016

**SUMMARY OF BILL:** Defines “inflatable play structures” and specifies that leased inflatable play structures are not considered "amusement devices" and are not subject to regulation by the Department of Labor and Workforce Development (DLWD).

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$26,900**

**Forgone State Revenue – \$55,000**

Assumptions:

- According to DLWD, there are approximately 353 inflatable play structure companies with approximately 3,530 inflatables statewide.
- The exemption will apply to companies that lease inflatable play structures. Inflatable play structure companies that do not lease their devices will continue to be subject to inspection.
- The annual fee per company inspected is currently \$150, and the annual fee per inflatable device inspected is currently \$25.
- The maximum potential collection under current law is \$141,200 [(353 x \$150) + (3,530 x \$25)].
- According to DLWD, not all inflatable play structure companies and devices have been inspected and permitted in the past.
- Based on information provided by DLWD, collections from inspection fees of all inflatable play structures are projected to be approximately \$46,300 in FY15-16.
- DLWD reports that the department does not currently differentiate between leased inflatable play structures and non-leased/permanent inflatable play structures, but estimates that 58 percent of inspections are relative to those which are leased, that will become exempt from inspection under this bill.
- According to DLWD, any inspection fee revenue derived from inspecting inflatable play structures is deposited to the General Fund.
- A recurring decrease in state revenue to the General Fund of \$26,854 (\$46,300 x 58%).
- Of the remaining \$94,900 (\$141,200 - \$46,300) in potential collections, \$55,042 (\$94,900 x 58%) is considered recurring forgone state revenue to the General Fund that

**SB 1694 – HB 2456**

could otherwise be collected under current law if all devices were being inspected, but would not require inspection under the provisions of this bill.

**IMPACT TO COMMERCE:**

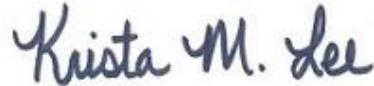
**Decrease Business Expenditures- \$26,900**

Assumptions:

- The provisions of the bill will result in a recurring decrease in business expenditures estimated to exceed \$26,900.
- The provisions of the bill are not estimated to have an impact on the overall number of jobs in the state.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

/dwl