

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2555 – SB 2715

March 13, 2018

**SUMMARY OF ORIGINAL BILL:** Prohibits an agency from increasing an existing administrative fee more than a prescribed amount through promulgation of a rule and requires any such change to occur through passage of legislation by the General Assembly.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (014981):** Deletes and rewrites all language after the enacting clause such that the only substantive changes (1) authorize an agency to increase an administrative fee by a prescribed amount in certain circumstances, and (2) require an agency to submit a report to all members of the General Assembly, including specified information, not less than 30 days prior to a rule taking effect which increases an administrative fee.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- The proposed language would apply only to administrative fees charged by agencies.
- Fees charged by some boards, commissions, and entities are utilized to pay for the operation of such board, commission, or entity, with such fees typically instituted through promulgation of a rule.
- The proposed language would prevent agencies from increasing an existing administrative fee through rule promulgation if the amount of increase exceeds the lesser of: (1) five percent of the fee, or (2) the average annual rate of inflation for the immediately preceding calendar year.
- An agency may increase an administrative fee through rule promulgation if the amount of increase does not exceed the aggregate average annual rates of inflation for each year the agency does not increase an administrative fee.
- In the event an agency proposed to increase an existing administrative fee in an amount more than the prescribed amount, the increase would occur through legislative action.

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- Prior to promulgation of a rule increasing any administrative fee by any amount, an agency is required to provide all members of the General Assembly the following information: (1) the text of the proposed rule; (2) the amount of the current fee and the amount of the proposed fee; (3) a citation to the statutory authority for the fee; (4) a detailed explanation of the need for the increase in the fee; and (5) the current balance of the account or fund into which the fee is deposited and the ending balance of such account or fund for the last two fiscal years.
- Providing such information will not result in any significant fiscal impact to state government.
- Requiring such administrative fee increases to occur through passage of legislation is not estimated to result in a significant increase in legislation filed in any given General Assembly nor a significant change to the administrative fees that would be established under current law; therefore any fiscal impact to state government is estimated to be not significant.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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