

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2361 – SB 2354

April 2, 2018

SUMMARY OF ORIGINAL BILL: Urges the Department of General Services to submit a report to the Transportation Committee of the House of Representatives and the Transportation and Safety Committee of the Senate containing the number of purchases and leases of government-owned or government-operated vehicles capable of using alternative fuel, the number of conversions of such vehicles from the use of gasoline or diesel fuel to the use of alternative fuel, and the quantity of each type of alternative fuel used.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (016241, 016356): Amendment 016241 deletes all language after the enacting clause.

Authorizes the creation of transit improvement districts by municipalities for self-financing transit improvements. A transit improvement district may be initiated by petition of appropriate landowners.

Upon creation of the transit improvement district, a transit improvement district program must be developed indicating the public transit system projects and services to be funded under the program. Upon adoption of an ordinance by the municipality, a special assessment may be levied against impacted landowners to fund transit improvements.

The proposed legislation is deleted on July 1, 2019, unless reenacted or extended by the 111th General Assembly and a municipality that has created, or plans to create, a transit improvement district and that supports reenactment submits a resolution to the General Assembly by February 1, 2019 supporting reenactment.

Amendment 016356 deletes and replaces language of the proposed legislation as amended by amendment 016241 to authorize a petitioner to withdraw the petitioner's name from the petition before the public hearing is held if the petition is altered with a substantive amendment with which the petitioner disagrees.

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FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – To the extent landowners initiate the creation of transit improvement districts, the proposed legislation would increase mandatory local expenditures by \$300 for each required public notice.*

Any permissive increases in local revenue resulting from special property tax assessments for the purpose of financing transit improvement projects, and the total cost for any resulting transit project, are unknown and dependent upon future actions taken by any respective municipality.

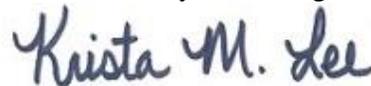
Assumptions for the bill as amended:

- When the creation of a transit improvement district is initiated, the local governing body must conduct a public hearing to determine whether such district should be established.
- Notice of the meeting must be published in a newspaper of general circulation for three consecutive weeks and published on the municipality's website.
- Based on response to the 2017 Local Government Survey conducted by the Fiscal Review Committee, local governments spend an average of \$113 per public notice advertised in a newspaper of general circulation.
- The proposed legislation requires the notice to run for three consecutive weeks.
- It is reasonably assumed that any applicable local government will incur an increase in local expenditures exceeding \$300 to run a publication for a three-week period.
- Upon landowners initiating the creation of the district, the increase in mandatory local expenditures will be \$300 per public notice.
- If a transit improvement district is created, the proposed legislation authorizes the municipality to levy special assessments against all properties located within the district to cover all costs and expenses of making transit system improvements within the district and providing the services, projects, and activities to the district.
- Any increase in local revenue resulting from the proposed legislation would be permissive.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

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



Krista M. Lee, Executive Director

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