

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 602 - SB 1443

April 15, 2019

SUMMARY OF ORIGINAL BILL: Prohibits a local government from requiring alarm system contractors and businesses to pay certain fees.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Revenue – Exceeds \$5,000

IMPACT TO COMMERCE OF ORIGINAL BILL:

Decrease Business Expenditures – Exceeds \$5,000

SUMMARY OF AMENDMENT (008162): Deletes and rewrites all language after the enacting clause such that the substantive changes (1) prohibit counties and municipalities from requiring alarm systems contractors and alarm businesses to collect fines or fees assessed against customers for false alarms or annual alarm renewal permits; (2) require alarm system contractors to pay for installation permits for alarms they install on property they own or lease; (3) require certain alarm system contractors and alarm businesses to collect monies from customers to pay for annual alarm permit fees imposed by a county or municipality until December 31, 2019; (4) authorize alarm system contractors to collect and remit annual alarm permit fees in certain circumstances; (5) require collecting alarm system contractors to remit monies collected to the applicable county or municipality; and (6) exempt the alarm system contractor from being audited by the county, municipality, or other entity regarding collection and remittance of such monies.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation:
 - Prohibits county or municipality from assessing certain penalties and fees against an alarm system contractor instead of the property owner;

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- Prohibits a county or municipality from requiring an alarm system contractor or alarm business to collect monies assessed against a customer for a false alarm or annual renewal permits;
- Requires alarm system contractors and alarm businesses who are currently collecting annual alarm permit fees from customers to continue collecting such fees until December 31, 2019;
- Authorizes alarm system contractors and alarm businesses to collect annual alarm permit fees if the customer agrees to such collection by the alarm system contractor or alarm business;
- Requires any collecting contractor or business to remit the fee to the applicable county or municipality;
- Authorizes the contractor or business to stop collecting annual alarm permit fees any time; and
- Exempts the contractor and business collecting such fees from an audit conducted by the county, municipality, or other entity.
- False alarm and annual alarm permit fees are currently assessed to the individual property owner and not the alarm contractor; therefore, prohibiting counties and municipalities from assessing such fees to the contractor or business will not result in any significant fiscal impact to local government.
- Any alarm system contractor or business collecting annual alarm permit fees will be required to remit such fees collected to the applicable county or municipality within current required timeframes; therefore, any decrease in local government revenue is estimated to be not significant.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed legislation requires alarm system contractors and alarm businesses who currently collect and remit annual alarm permit fees from customers to continue to do so until December 31, 2019. Requiring such contractors or businesses to continue such practice until such date will not result in any significant impact to jobs or commerce in Tennessee.
- Authorizing any alarm system contractor or alarm business to collect and remit such fees will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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