

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2248 - SB 2179

May 28, 2020

SUMMARY OF ORIGINAL BILL: Establishes that County Clerks shall retain \$4.00 of the \$9.00 issuance fee for temporary trailer permits that are issued through their offices.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$1,800/FY20-21 and Subsequent Years

Increase Local Revenue - \$1,800/FY20-21 and Subsequent Years

The Governor's proposed budget for FY20-21 includes a recurring decrease in state revenue to the General Fund in the amount of \$1,800.

SUMMARY OF AMENDMENT (017862): Changes the effective date from July 1, 2020 to October 1, 2020.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - **\$1,400/FY20-21**
\$1,800/FY21-22 and Subsequent Years

Increase Local Revenue - **\$1,400/FY20-21**
\$1,800/FY21-22 and Subsequent Years

Assumptions for the bill as amended:

- According to Vehicle Services, 453 temporary trailer permits were issued in FY18-19.
- Currently, temporary trailer permits are the only type of vehicle related permit issued by the Department of Revenue rather than County Clerks.
- It is assumed for the purpose of this fiscal analysis that County Clerks would take over all operations involved with issuing temporary trailer permits.
- It is therefore estimated that the decrease in state revenue will be \$1,812 (\$4.00 x 453) and an increase in local revenue will be \$1,812 (\$4.00 x 453).
- Because of the October 1, 2020 effective date, the decrease in state revenue and subsequent increase in local revenue will be discounted by three months in FY20-21,

resulting in an decrease in state revenue and an equivalent increase in local revenue of \$1,359 [(\$1,812 x 9) / 12] in FY20-21.

CERTIFICATION:

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

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

Krista Lee Carsner, Executive Director

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