

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 929 - SB 785

February 14, 2019

SUMMARY OF BILL: Authorizes the Department of Revenue (DOR) or its agent to refuse to issue or transfer a registration, license plate, permit, or certificate of title on a vehicle that has been assigned to a motor carrier that has been prohibited from operating by the Federal Motor Carrier Safety Administration (FMCSA); however, the DOR is authorized to allow such prohibited carrier to transfer a title if such carrier does not retain an interest, either directly or indirectly, in the vehicle.

Authorizes the DOR or its agent to suspend or revoke the registration, license plate, permit, or certificate of title issued to any vehicle assigned to a motor carrier that has been prohibited from operating by the FMCSA.

The DOR is required to deny registration for a vehicle assigned to a motor carrier that has been prohibited from operating by the FMCSA for safety reasons or a carrier whose business, is operated, managed, or otherwise controlled by or affiliated with a person who is ineligible for registration, including an applicant, owner, or corporate officer, or shareholder of the carrier or a relative of any such persons.

Establishes that if a prohibition from operating by the FMCSA is rescinded, the DOR or its agent may issue a registration, license plate, permit, or certificate of title to the motor carrier, provided that all other taxes and fees have been paid to the DOR.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Failure to pass this legislation by October 1, 2020 could jeopardize \$6,400,000 in annual federal MCSAP grant funding for the Department of Safety.

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-4-101(b)(1), except in particular circumstances, the Commissioner of the DOR is the registrar of vehicles in Tennessee.
- In December 2015, Congress passed the Fix America's Surface Transportation Act (FAST) Act, which consolidated several stand-alone Federal Motor Carrier Safety Association (FMCSA) grants into one Motor Carrier Safety Administration Program (MCSAP) grant.

- The requirements of such grant are outlined in 49 U.S.C § 31106.
- Tennessee is expected to comply with 49 U.S.C § 31106 in order to continue receiving federal funding via the MCSAP grant. Tennessee Highway Patrol within the Department of Safety and Homeland Security (DOS) is the lead agency for the MCSAP Program in Tennessee.
- This legislation assures Tennessee is in noncompliance with federal law.
- According to information provided by the Department of Safety, failure for this legislation to pass prior to October 1, 2020, could jeopardize approximately \$6,400,000 annually in federal grant funding.
- According to the DOR, this legislation will provide authority to revoke a registration, license plate, permit, or certificate of title if a carrier is subject to a federal out-of-service order, which is required to receive MCSAP funding. The DOR does not estimate any significant volume of these actions, as out-of-service orders are designed to incentivize carriers to become compliant as soon as possible; therefore, no significant impact on title or registration fee revenues as a result of this legislation.
- According to the DOR, changes to the International Registration Program System will be incorporated as part of an already scheduled update; therefore, this legislation would have no significant impact on the Department.
- DOR indicates this legislation provides authority to revoke titling and registration if a carrier is subject to a federal out-of-service order, which is required for compliance with federal law. Further, federal out-of-service orders are designed to incentivize carriers to regain compliance as quickly as possible.
- Based on the information provided by the DOR, passage of this legislation will not have a significant impact on registrations or certificates of title; therefore, any impact to registration and titling fee revenue is estimated to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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