

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1351 - SB 1177

March 15, 2019

**SUMMARY OF BILL:** Creates a transportation services district for Davidson, Cheatham, Dickson, Robertson, Wilson, Sumner, Montgomery, Williamson and Rutherford counties. Requires any excess state sales and use tax revenue collected over the estimated budgeted amount for a fiscal year from within the transportation services district to be apportioned and distributed to any eligible county, in an amount equal to that portion of the surplus revenue derived from the sale of goods, products, and services within the eligible county.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Passage of this legislation will redistribute a significant portion of General Fund sales and use tax revenue to counties within newly-created transportation service districts in any fiscal year in which actual state sales and use tax collections, derived from any district, exceed the budgeted amount of revenue for the district. Due to multiple unknown factors, the extent and timing of any such redistribution cannot be determined with reasonable certainty.**

Assumptions:

- Currently all state sales tax surplus revenue is deposited to the General Fund. Any such amounts from previous fiscal years are included in the tax base reflected in the Governor's proposed budget for FY19-20.
- Estimates of state sales tax revenues are not made by individual counties. Therefore, the exact portion of any surplus state sales tax revenue generated by an individual county that would be distributed to such county pursuant to this legislation cannot be determined with reasonable certainty.
- In FY17-18, the state sales and use tax collections exceeded the budgeted estimate by approximately \$95,187,100 (\$8,953,287,100 accrual collections - \$8,858,100,000 final budgeted estimate).
- State sales and use tax collections in the nine counties comprising the newly-created transportation services districts represented 29.5 percent of total state sales and use tax collections.
- Assuming that such counties represented the same proportion of surplus state sales and use tax collections, approximately \$28,080,195 in state funds would have been

distributed to such local governments if this legislation was in effect in FY17-18 (\$95,187,100 x 29.5%).

- Any future distributions of such revenue, beginning with FY19-20, would be dependent upon actual state sales and use tax collections, budgeted estimates for such collections, and the proportion of any surplus revenue that is generated within the transportation services district. Due to multiple unknown factors, any such impact cannot be quantified with reasonable certainty.

**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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