

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1987 - HB 2662

February 10, 2020

SUMMARY OF BILL: Requires certain rural electric cooperatives to notify certain businesses at least 60 days prior to initiation of construction or development.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 65-25-102(4), rural electric cooperatives are nonprofit, member owned corporations.
- The proposed language requires rural electric cooperatives providing broadband, internet protocol-based video, or video programming to notify businesses, which also provide such services and operate within their service area, at least 60 days prior to when the cooperative will be in open trenching. Such businesses will be authorized to utilize the open trench to install their own infrastructure.
- The service areas of local government utilities providing such services do not overlap with those of rural electric cooperatives; therefore any decrease in local government expenditures is estimated to be not significant.

IMPACT TO COMMERCE:

Decrease Business Expenditures –

Exceeds \$20,000/FY20-21 and Subsequent Years

Assumptions:

- The proposed language will result in a decrease in expenditures for private businesses who utilize open trenching to install their own infrastructure.
- Costs associated with trenching will vary based on terrain and size of the project; however they are estimated to range between \$8 and \$24 per foot.
- Assuming each trench is at least 500 feet in length, each project is estimated to result in expenditures exceeding \$4,000 (500 feet x \$8 per foot).
- Assuming five trenches will be dug annually by applicable rural electric cooperatives, it will result in a recurring decrease in business expenditures estimated to exceed \$20,000 (\$4,000 per trench x 5 trenches), beginning in FY20-21.
- The proposed language is not estimated to result in any impact to jobs in Tennessee.

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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