

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 268 - SB 270

March 10, 2017

SUMMARY OF BILL: Exempts active volunteer firefighters and active volunteer members of a local rescue squad from the regular registration fee for any vehicle owned or used by such individuals, and from the registration fee upon renewal of a firefighter or rescue squad special purpose license plate.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$611,700/Highway Fund
\$12,500/General Fund**

Assumptions:

- Registration fees are \$18.75 for regular motor vehicles and \$11.75 for motorcycles. It is assumed that eligible volunteer firefighters and rescue squad members will be exempt from such fees, but will be liable for other fees, such as issuance fees, computerized systems fees, and reflectorization fees.
- The Department of Revenue reports that, as of February 1, 2017, there were 25,714 motor vehicles registered with a firefighter or rescue squad license plate; 24,851 of such registrations were for motor vehicles or trucks, and 863 registrations were for motorcycles.
- Based on information published by the United States Fire Administration, 87.4 percent of all firefighters are registered as volunteer firefighters. Therefore, it is estimated that 22,474 (25,714 x 87.4%) firefighters and rescue squad members eligible will be eligible for the proposed registration fee exemption. Of this number, 21,720 are estimated to be motor vehicle registrations and 754 are estimated to be motorcycle registrations.
- The recurring decrease in state revenue is estimated to be \$416,110 [(21,720 x \$18.75) + (754 x \$11.75)].
- It is assumed that half of all eligible volunteer firefighters and rescue squad member will register a second vehicle free of charge as authorized by this bill. The recurring decrease in state revenue associated with such registrations is estimated to be \$208,055 (\$416,110 x 50%).
- The total recurring decrease in state revenue is estimated to be \$624,165 (\$416,110 + \$208,055).

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- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), 98 percent of such decrease, or \$611,682, will be to the Highway Fund and the remaining 2 percent, or \$12,483, will be to the General Fund.
- Any increase in revenue to the state or local government as a result of fee savings being spent in the economy on sales-taxable goods and services is estimated to be not significant.
- Any increase in state expenditures to effectuate the requirements of this bill are estimated to be not significant.

CERTIFICATION:

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

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

Krista M. Lee, Executive Director

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