

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 268 – SB 270

March 5, 2018

SUMMARY OF ORIGINAL 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.

FISCAL IMPACT OF ORIGINAL BILL:

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

SUMMARY OF AMENDMENT (013524): Deletes all language after the enacting clause. Exempts active volunteer firefighters and active volunteer members of a local rescue squad, if such firefighters and members have at least one year of service, from the regular registration fee at the time of registration renewal. Such exemption applies to only one vehicle per active volunteer firefighter or member of a local rescue squad.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue – Exceeds \$259,000/Highway Fund
Exceeds \$5,300/General Fund

Assumptions for the bill as amended:

- Eligible volunteer firefighters and rescue squad members will be exempt from the following fees upon motor vehicle registration renewals: regular registration fees of \$23.75 for motor vehicles and \$16.75 for motorcycles, 98 percent of which are allocated to the Highway Fund and 2 percent of which are designated to the General Fund. All other state and local fees will continue to be imposed.
- There are approximately 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, the total number of

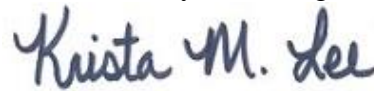
HB 268 – SB 270

volunteer firefighters and volunteer members of a local rescue squad is estimated to be 22,474 (25,714 x 84.7%). Of this number, 21,720 are estimated to be motor vehicle registrations and 754 are estimated to be motorcycle registrations.

- The number of such individuals with at least one year of service who will be eligible for the proposed registration renewal fee exemption is unknown. However, it is assumed that at least 50 percent of the total number of volunteer firefighters and volunteer members of a local rescue squad will renew their motor vehicle registrations annually and will qualify for the proposed fee exemption.
- The recurring decrease in state revenue from regular registration fees is estimated to exceed \$264,240 [(21,720 x 50% x \$23.75) + (754 x 50% x \$16.75)].
- Ninety eight percent (98%) of such decrease, or \$258,955, will be to the Highway Fund and the remaining two percent, or \$5,285, 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 or local expenditures to effectuate the requirements of this bill as amended are estimated to be not significant.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/bs