

SB 728 - HB 810

FISCAL MEMORANDUM



Fiscal Review Committee
Tennessee General Assembly

March 3, 2025

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SUMMARY OF BILL AS AMENDED (004345): Authorizes the operation of utility terrain vehicles on any state highway or county road for which the speed limit is 45 miles per hour or less, subject to certain restrictions.

FISCAL IMPACT OF BILL AS AMENDED:

STATE GOVERNMENT		
REVENUE	General Fund	Highway Fund
FY26-27 & Subsequent Years	>\$1,400	>\$69,600

Assumptions for the bill as amended:

- Per the proposed legislation, “utility terrain vehicle” includes:
 - A low speed vehicle;
 - Medium speed vehicle;
 - Class I off-highway vehicle;
 - Class II off-highway vehicle; and
 - An all-terrain vehicle.
- The proposed legislation is not expected to significantly decrease Class C misdemeanor convictions for the unlawful operation of such vehicles; therefore, there will not be a significant decrease in local government incarceration expenditures or fine revenue.
- It is not estimated that the provisions of this legislation will directly lead to a significant increase in the sales of such vehicles. Any impacts to state or local sales tax revenue is estimated to be not significant.
- However, it is reasonably assumed that the expanded privileges afforded to owners of utility terrain vehicles will lead to an increase in registrations of currently owned vehicles. The precise number of additional registrations is not known.
- Based on information provided by the Department of Revenue (DOR), there are currently 31,558 active registrations for low and medium speed and Class I and II off-highway vehicles. All-terrain vehicles are not currently authorized for registration. It is assumed that the proposed legislation will increase the total number of registrations for existing classes by 15 percent, or by 4,734 (31,558 x 15%) registrations. The number is estimated to exceed 4,734 registrations due to the proposed inclusion of all-terrain vehicles.
- Pursuant to Tenn. Code Ann. § 55-4-111(a)(1), the registration fee for each utility terrain vehicle is as follows:
 - A low speed and medium speed vehicle: \$14.50;

- Class I off-highway vehicle: \$15; and
- Class II off-highway vehicles is \$16.
- Therefore, the average registration fee for a utility terrain vehicle is \$15.00 [(\$14.50 low speed + \$14.50 medium speed + \$15 Class I + \$16 Class II) / 4].
- The increase in revenue from registration fees is estimated to exceed \$71,010 (4,734 registrations x \$15.00).
- Each new registrant will be required to renew on an annual basis.
- Therefore, the increase in state revenue from registration and renewal fees is estimated to exceed \$71,010 in FY25-26 and subsequent years.
- Any impacts to the DOR to adjust or create additional registration classes or other administrative actions is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 55-6-107(a)(1), proceeds from revenue generated through the registration and licensing of motor vehicles are to be apportioned as follows: 98 percent to the Highway Fund and 2 percent to the General Fund.
- Therefore, the estimated increases in state revenue will occur as follows:
 - Exceeds \$69,590 (\$71,010 x 98%)/FY25-26 and subsequent years/Highway Fund.
 - Exceeds \$1,420 (\$71,010 x 2%)/FY25-26 and subsequent years/General Fund.

CERTIFICATION:

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



Bojan Savic, Executive Director