

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 488 - SB 1257

February 25, 2017

**SUMMARY OF BILL:** Authorizes cities incorporated under a city manager-commission charter to adopt an ordinance, by a two-thirds vote of the board of commissioners, to impose a fee to fund the construction and maintenance of a municipal fire station. Requires the city to reduce the fee to reflect only the cost of maintenance of the fire station or operation after the construction of the fire station, unless additional fire stations are needed.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Any permissive increase in local revenue for municipal fire stations is dependent upon multiple unknown factors and cannot be reasonably determined. Further, any local revenue derived from the fee will be permissively expended by the respective local government for fire station construction, maintenance, and operational costs.**

Assumptions:

- This legislation would allow the local board of commissioners to adopt an ordinance that would impose a fee for the specific purpose of raising revenue to fund the construction and maintenance of a municipal fire station, outlining the system for collection and enforcement of fees authorized and imposed, and for providing a mechanism for fees to be increased or decreased as determined by the board.
- The total statewide permissive increase in local revenue associated with city fee collection for the purpose of fire stations is dependent on multiple unknown factors such as: the number of city manager-commission charter cities adopting local ordinances to impose a fee, the amount of any such fee, the length of time any such fee will be collected, and the extent of construction, maintenance, and operational costs of any such municipal fire station.
- Given the extent of unknown factors, the precise fiscal impact to local government cannot be reasonably determined; however, any permissive increase in fee collection revenue is expected to be offset with a corresponding permissive increase in local government expenditures for the purpose of fire station construction, maintenance, and operation.

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**CERTIFICATION:**

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

Handwritten signature of Krista M. Lee in black ink.

Krista M. Lee, Executive Director

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