



January 29, 2024

**SUMMARY OF BILL AS AMENDED (012787):** Requires the Department of Revenue (DOR) to issue a refund of the unused portion of the registration fee, for up to three freight motor vehicles, to the surviving spouse or the estate representative of a deceased freight motor vehicle operator registered in Class 5 or above upon the certificate of registration and license plate being surrendered with a copy of the death certificate of the operator. Excludes apportioned registration fees of another state's jurisdiction as governed by a reciprocity agreement. Authorizes DOR to prescribe the form and method of submitting required documentation. Applies retroactively to the deaths of eligible operators occurring on or after June 1, 2023.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Decrease State Revenue –**

**Exceeds \$6,000/FY24-25 and Subsequent Years/Highway Fund**

**Exceeds \$100/FY24-25 and Subsequent Years/General Fund**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 55-4-113(a)(2)(E)-(K), and based on information provided by DOR, the average cost of registering in a Class 5 or above is approximately \$1,217 per motor vehicle.
- According to the United States Census Bureau, as of 2023, Tennessee represents approximately 2.13 percent (7,126,489 / 334,914,895) of the U.S. population.
- According to *Truck Accident Statistics & Numbers for 2024* by Jason Arthur, 890 truckers died in 2023; therefore, it is estimated that at least 19 (890 truckers x 2.13%) licensed Tennessee truckers died in 2023 due to accidents.
- This legislation requires the registered operator of a freight motor vehicle to own at least 51 percent in the entity that owns the freight motor vehicle at the time of death for surviving spouse or personal representative of the deceased operator's estate to be eligible for the refund.
- It can be reasonably assumed that at least 10 refunds per year will be requested according to the legislation. It is further assumed that at least 50 percent of the registration fee is unused.
- 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.

- The decrease in state revenue to the Highway Fund is estimated to exceed \$5,963 [98% x (\$1,217 x 10 x 50%)] in FY24-25 and subsequent years.
- The decrease in state revenue to the General Fund is estimated to exceed \$122 [2% x (\$1,217 x 10 x 50%)] in FY24-25 and subsequent years.
- The proposed legislation may require education of staff and guidance updates; however, any associated fiscal impact is estimated to be not significant.

**CERTIFICATION:**

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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