

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1791 - SB 1812

February 15, 2018

**SUMMARY OF BILL:** Establishes that penalties be assessed against a utility for failure to join or utilize the One-Call service. Adds an additional member to the Underground Utility Damage Enforcement Board (UUDEB) and establishes staggered terms for board members. Authorizes the UUDEB to establish certain best practices.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent any locally-owned utility elects not to join nor utilize the One-Call service, and the Underground Utility Damage Enforcement Board assesses a penalty, there will be a mandatory increase in local penalty expenditures resulting from the permissive action of not joining nor utilizing the One-Call Service. In addition, there would be a corresponding increase in revenue to the Underground Damage Prevention Fund. The extent and timing of any such impacts are unknown for such impacts are dependent upon several unknown factors.**

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 65-31-107, deadlines for utilities of various sizes are established for joining with One-Call service with all utilities required to have joined prior to January 1, 2018.
- The proposed language would establish a penalty assessed on utilities failing to join or utilize the One-Call service upon the enactment of this legislation.
- Pursuant to Tenn. Code Ann. § 65-31-117, all civil penalties assessed and collected by the UUDEB are deposited into the Underground Damage Prevention Fund (UDPF) and do not revert to the General Fund.
- Due to multiple unknown factors such as how many utilities will be found in violation of the provisions of this legislation, if such utilities are owned by local governments or private companies, and the extent and timing of any penalties assessed by the UUDEB, a precise increase in local government expenditures and the corresponding like-amount increase in revenue to the UDPF cannot reasonably be determined.
- The proposed language adds an additional board member to the UUDEB to represent the interests of contract locators and establishes staggered terms for board members.

- Pursuant to Tenn. Code Ann. § 65-31-114(e), the members of the UUEB serve without compensation; therefore, any increase in expenditures to the UDPF is considered not significant.
- Any best practices or reviews to be conducted by the UDPF can be accomplished at a regularly-scheduled meeting.

## **IMPACT TO COMMERCE:**

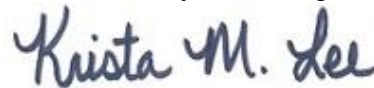
**Other Fiscal Impact – Due to multiple unknown factors, a precise increase in business expenditures cannot reasonably be determined.**

Assumptions:

- Due to multiple unknown factors such as how many non-government owned utilities will be found in violation of not joining or utilizing the One-Call service, and the extent and timing of any penalties assessed by the UUEB, a precise increase in business expenditures cannot reasonably be determined.
- The proposed language will not result in any significant impact to jobs in Tennessee

## **CERTIFICATION:**

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



Krista M. Lee, Executive Director

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