

# HB 956 - SB 903

## FISCAL NOTE



Fiscal Review Committee  
Tennessee General Assembly

March 19, 2025

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**SUMMARY OF BILL:** Prohibits a person from selling, transferring ownership, purchasing, or obtaining a firearm unless one of the following applies:

- The seller or transferor is a federally-licensed gun dealer (gun dealer);
- The seller or transferor makes the sale or transfer to or through a gun dealer and obtains a receipt;
- The sale or transfer of ownership of the firearm is one of the following:
  - A firearm classified as an antique firearm under current law;
  - A transfer of a firearm between gun dealers or between wholesalers and dealers; or
  - A transfer of any firearm to a law enforcement or military agency;
- The transferor is transferring ownership of the firearm to a family member by gift, bequest, or inheritance; the transferee is not prohibited from possessing a firearm under this part; and the transferee is at least 18 years of age; or
- The transferor is transferring ownership of the firearm with the intent that the transfer be temporary, neither the transferor nor the transferee is prohibited from possessing a firearm under this part, and the purpose of the transfer is not prohibited by law.

Creates a Class B misdemeanor offense for a person who intentionally violates the prohibition. Establishes a penalty for the offense as a fine of not less than \$500 nor more than \$10,000, and imprisonment for a period not to exceed nine months.

### FISCAL IMPACT:

OTHER FISCAL IMPACT
There will be a recurring mandatory increase in local expenditures related to incarceration in FY25-26 and subsequent years. Due to unknown variables, a precise estimate of this increase cannot be quantified.
To the extent the proposed legislation results in an increase to the number of firearms sales transacted through federally-licensed firearm dealers, there will be an increase in revenue associated with sales tax and TBI background check fees. Due to multiple unknown variables, any such impact cannot be determined with reasonable certainty.
Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.

Assumptions:

- The proposed legislation is estimated to increase the number of firearms sales transacted through dealers, therefore resulting in an increase in revenue associated with sales tax and TBI background check fees. Based upon multiple unknown variables, any such impact cannot be determined with reasonable certainty.
- It is assumed that a cohort of the population will continue to sell and transfer firearms outside of the walls of a gun dealer and in violation of the proposed legislation. It is therefore assumed that the legislation will result in an increase in Class B misdemeanors.
- It is estimated that, on average, persons convicted of a Class B misdemeanor offense serve one day in jail.
- Based on cost estimates provided by local government entities throughout the state and reported bed capacity within such facilities, the weighted average cost per day to house an inmate in a local jail facility is \$61.99.
- Therefore, the legislation is estimated to result in a mandatory increase in local expenditures related to incarceration in FY25-26 and subsequent years.
- There is no reliable data available on the number of sales and transfers of firearms that occur among those not licensed as gun dealers. It is not known how many such sales or transfers will continue to occur, or how many will result in a misdemeanor conviction. As such, a precise estimate of the increase in local expenditures related to incarceration cannot be reasonably determined.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is minimal due to defendants often not being able to pay them; therefore, any increase in local revenue from fines is estimated to be not significant.
- Any increase in court cases can be accommodated within existing judicial resources.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Executive Director