



March 4, 2023

SUMMARY OF BILL: Requires a person to possess either a concealed or enhanced handgun carry permit in order to lawfully carry a handgun in Davidson and Shelby counties.

FISCAL IMPACT:

Increase State Revenue –

\$921,000/FY23-24 and Subsequent Years/Handgun Permit Division

\$545,200/FY23-24 and Subsequent Years/Tennessee Bureau of Investigation

Increase State Expenditures –

\$44,200/FY23-24 and Subsequent Years/Handgun Permit Division

\$228,900/FY23-24 and Subsequent Years/Tennessee Bureau of Investigation

Increase Local Revenue –

\$160,000/FY23-24 and Subsequent Years

Assumptions:

- Public Chapter 108 of 2021 removed the requirement to possess a permit in order to carry a handgun, openly or concealed, provided the person lawfully possessed the firearm and was at least 21 years old, or was at least 18 years old and possessed certain military status.
- The proposed legislation would effectively reinstate the requirements in place before Public Chapter 108 of 2021 for persons seeking to carry a handgun in Davidson and Shelby counties.
- It is assumed that passage of this legislation would return handgun permit applications in Davidson and Shelby counties to the annual numbers received before Public Chapter 108 of 2021 became effective on July 1, 2021.
- According to the Department of Safety's (DOS) annual Handgun Carry Permit Statistical Report the average handgun carry permits across all categories issued in Davidson County over the three calendar years before permit requirements were repealed, 2018-2020, was 8,356 permits. The average for Shelby County over the same period was 15,885 permits.
- The number of handgun permits issued in Davidson County in 2022 was 2,906. The number issued in Shelby county was 5,495.

- Therefore, the increase in permits issued in Davidson County as a result of the proposed legislation is estimated to be 5,450 permits (8,356 previous – 2,906 current). The increase in permits issued in Shelby County is estimated to be 10,390 permits (15,885 previous – 5,495 current).
- The total increase in handgun permits issued in both counties is thus estimated to be 15,840 permits (5,450 Davidson + 10,390 Shelby) in FY23-24 and subsequent years.
- Portions of the fee for some types of handgun permits are distributed to the Tennessee Bureau of Investigation (TBI) for systems maintenance and background checks and the local sheriff’s office to verify the truthfulness of the applicant’s answers.
- Handgun permit fees and revenue distributions breakdown as follows:

Application Type	Application Fee	TBI (Systems)	Sheriffs	TBI (BG Checks)	Remaining to DOS
8 Year Enhanced	\$100	\$15	\$15	\$37.15	\$32.85
Lifetime Enhanced	\$300	\$15	\$15	\$37.15	\$232.85
Concealed Carry	\$65	\$15	\$15	\$37.15	(\$2.15)
Upgrade to Lifetime	\$200	\$0	\$0	\$0	\$200
Renewals	\$50	\$0	\$0	\$0	\$50

- Based on the DOS’s annual Handgun Carry Permit Statistical Report, of the total across all categories of handgun permit, the average percentages of application by type breakdown as follows:
 - Enhanced: 26%
 - Concealed: 26%
 - Lifetime: 14%
 - Renewal: 34%
- Thus, it is assumed that the proposed legislation will result in an increase in handgun permit applications in FY23-24 as follows:
 - Enhanced: 4,118 (15,840 permits x 26%)
 - Concealed: 4,118 (15,840 permits x 26%)
 - Lifetime: 2,218 (15,840 permits x 14%)
 - Renewal: 5,386 (15,840 permits x 34%)
- The recurring increase in revenue related to enhanced handgun permits breaks down as follows:
 - DOS: \$135,276 (\$32.85 x 4,118 permits)
 - TBI: \$214,754 (\$52.15 x 4,118 permits)

- Sheriffs: \$61,770 (\$15 x 4,118 permits)
- The recurring increase in revenue related to concealed handgun permits breaks down as follows:
 - TBI: \$214,754 (\$52.15 x 4,118 permits)
 - Sheriffs: \$61,770 (\$15 x 4,118 permits)
- The increase in concealed handgun permits will result in a recurring increase in expenditures to the DOS estimated to be \$8,854 (\$2.15 x 4,118 permits) in FY23-24 and subsequent years.
- The increase in revenue related to lifetime enhanced handgun permits breaks down as follows:
 - DOS: \$516,461 (\$232.85 x 2,218 permits)
 - TBI: \$115,669 (\$52.15 x 2,218 permits)
 - Sheriffs: \$33,270 (\$15 x 2,218 permits)
- The increase in revenue related to renewals breaks down as follows:
 - DOS: \$269,300 (\$50 x 5,386 renewals)
- The recurring increase in state revenue to the TBI is estimated to be \$545,177 (\$214,754 enhanced + \$214,754 concealed + \$115,669 lifetime) in FY23-24 and subsequent years.
- For each background check conducted, the TBI reports costs of \$11.25 to the Federal Bureau of Investigation (FBI), and \$10.65 to the fingerprint vendor for a total expenditure per background check of \$21.90 (\$11.25 FBI + \$10.65 vendor).
- The recurring increase in state expenditures to the TBI is thus estimated to be \$228,943 [$\$21.90 \times (4,118 \text{ enhanced} + 4,118 \text{ concealed} + 2,218 \text{ lifetime})$] in FY23-24 and subsequent years.
- The recurring increase in local revenue to the sheriffs is estimated to be \$156,810 (\$61,770 enhanced + \$61,770 concealed + \$33,270 lifetime) in FY23-24 and subsequent years.
- Pursuant to Tenn. Code Ann. § 39-17-1351(q)(1), DOS partners with 48 county clerks' offices in the state to issue renewals. The county clerks are authorized to charge an additional \$4.00 per renewal application, which is retained by the county. Both Davidson and Shelby counties are contracted entities and retain the \$4.00 per renewal. It is assumed the clerks will process approximately 15 percent of renewals.
- Therefore, the recurring increase in local revenue related to renewals is estimated to be \$3,232 [$(5,386 \text{ renewals} \times 15\%) \times \4.00] in FY23-24 and subsequent years.
- The DOS will incur an increase in expenditures related to printing the permit cards. The cost to print the cards is \$2.23 per card.
- The increase in expenditures to the DOS related to card-printing is thus estimated to be \$35,323 (15,840 permits x \$2.23 per permit) in FY23-24 and subsequent years.
- The recurring increase in state revenue to the DOS's Handgun Permit Division is estimated to be \$921,037 (\$135,276 enhanced + \$516,461 lifetime + \$269,300 renewals) in FY23-24 and subsequent years.
- The recurring increase in state expenditures to the DOS's Handgun Permit Division is estimated to be \$44,177 (\$35,323 cards + \$8,854 concealed) in FY23-24 and subsequent years.
- The recurring increase in local revenue is estimated to be \$160,042 (\$156,810 sheriffs + \$3,232 clerks) in FY23-24 and subsequent years.

- Requiring permits to carry a handgun in Davidson and Shelby counties is not estimated to result in a significant increase in violations of unlawful carrying or possession of a weapon in those counties. Therefore, there will be no significant fiscal impact related to fines or incarceration.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jj