

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 360 - HB 1307**

February 11, 2023

**SUMMARY OF BILL:** Authorizes the Department of Safety (DOS) to utilize funds accrued from the application and processing fees received in association with applications for enhanced handgun carry permits to pay reimbursements to an approved handgun safety school of up to \$30 for each person who, for the first time, completes a handgun safety course, meeting certain requirements on or after January 1, 2024, subject to requirements for reimbursement established by DOS.

Requires DOS, through cooperation with the Tennessee Bureau of Investigation (TBI) and other state agencies, to annually provide information to licensed federal firearms dealers on approved handgun safety training courses provided to residents of Tennessee. Creates a standard template for federal firearms dealers to use as either a sign or a flyer to help inform customers about the availability of handgun safety courses and the opportunity for reimbursement to offset the cost of such courses. Authorizes DOS to make the template available on its website.

Requires, by February 1, 2025, DOS to report to the chair of the Judiciary Committee of the Senate and the chair of the Criminal Justice Committee of the House of Representatives the number of handgun safety courses provided to persons during the preceding year pursuant to this legislation.

Effective January 1, 2024. Repealed January 1, 2025.

**FISCAL IMPACT:**

**Increase State Expenditures – \$547,100/FY23-24/Handgun Permit Reserve  
\$547,100/FY24-25/Handgun Permit Reserve**

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-17-1351(p)(1), each applicant for an enhanced handgun carry permit must submit a \$100 application and processing fee. The portion of these fees that is not required for other purposes accrues to a dedicated account in the DOS's Handgun Permit Division. The proposed legislation authorizes the DOS to utilize funds in the Handgun Permit Reserve fund to pay for the proposed vouchers.
- The Handgun Permit Reserve has a current balance of \$24,427,857.

- The proposed legislation does not require a person to either purchase a handgun or apply for an enhanced or concealed handgun carry permit in order to be eligible to have up to \$30 of the cost of an approved handgun safety course offset by the proposed reimbursement program.
- However, for the purposes of this analysis, it is assumed that first-time purchasers of handguns are the most likely cohort of the population to utilize the proposed program to assist in attending a handgun safety course for the first time.
- The TBI is tasked with processing the criminal background checks through a process known as the Tennessee Instant Check System (TICS).
- Based on TICS data for the years 2020-2022, the average annual number of criminal background checks initiated for the purchase of a handgun was 451,716 with approximately a 95 percent approval rate.
- Therefore, an estimated 429,130 (451,716 checks x 95%) criminal background checks for the purchase of a handgun are approved each year.
- It is assumed this number is equal to the average number of individuals who successfully purchase a handgun each year.
- According to a Pew Research Center study conducted in 2017, 66 percent of gun owners say they own more than one gun, leaving 34 percent (100% - 66%) who are assumed to only own a single gun.
- Thus, the estimated number of annual handgun sales to first-time purchasers is 145,904 (429,130 handgun purchases x 34%).
- In addition, it is assumed that not every first-time purchaser of a handgun will take advantage of the program to take a handgun safety course. The number of first-time purchasers who will choose to do so is unknown, but is assumed to be 25 percent.
- Therefore, the estimated number of vouchers that will be redeemed annually for participation in a handgun safety course is 36,476 vouchers (145,904 purchasers x 25%).
- Per the proposed legislation, the reimbursement to approved handgun safety training course providers is assumed to be \$30.
- Therefore, the total increase in state expenditures from the Handgun Permit Reserve is estimated to be \$1,094,280 (36,476 x \$30).
- The proposed legislation has an effective date of January 1, 2024. The legislation is repealed on January 1, 2025. Therefore, the increase in expenditures will be split evenly between FY23-24 and FY24-25.
- The one-time increase in state expenditures to Handgun Permit Reserve is estimated to be \$547,140 (\$1,094,280 x 50%) in FY23-24.
- The one-time increase in state expenditures to Handgun Permit Reserve is estimated to be \$547,140 (\$1,094,280 x 50%) in FY24-25.
- The current balance of the Handgun Permit Reserve is sufficient to cover the estimated costs of the reimbursement program without a need for additional appropriations or expenditures from the General Fund.
- Any costs associated with signs and flyers at licensed federal firearms dealers will be borne by private entities.
- It is assumed that DOS can annually report to the relevant members of the General Assembly the number of reimbursements provided pursuant to the proposed legislation utilizing existing resources.

- All approved handgun safety training courses are listed on the DOS website; therefore, there is no increase in state expenditures to provide information on said courses.

**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

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