

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 802 – HB 1173

April 7, 2017

SUMMARY OF ORIGINAL BILL: Requires the court clerk to notify the Commissioner of the Department of Safety for purposes of license revocation within 20 days, rather than within 30 days, of an offender failing to pay litigation taxes, court costs, and fines.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (006233, 006892): Amendment 006233 deletes all language after the enacting clause. Creates an expanded grounds for hardship under which a person may apply to have their license revocation stayed for failure to pay court costs and fines.

Authorizes an indigent person to apply to the trial court having original jurisdiction over the offense for a waiver of any outstanding litigation taxes, court costs, and fines related to a license being revoked. Creates a fee of up to \$50, subject to the discretion of the court, after consideration of the person's ability to pay.

Authorizes a person whose license has been revoked to apply to the trial court, having original jurisdiction over the offense, for a restricted driver license under certain circumstances that shall state with all practicable specificity the necessary times and places the person may operate a motor vehicle. Requires a \$65 application fee, payable to the DOS, upon application.

Amendment 006892 adds language to the bill as amended by amendment 006233 that defines the term "cost" such that it includes any jail fees or other incarceration costs.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – Net Impact – \$64,900/Department of Safety

Increase State Expenditures - \$14,500/Department of Safety

Increase Local Revenue – Exceeds \$30,600/Court Clerks/Permissive

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Assumptions for the bill as amended:

- In FY15-16 there were 57,115 drivers revoked under Tenn. Code Ann. § 40-24-105 for outstanding court costs and fines and 12,225 of those licenses were reinstated.
- Based on information provided by the Department of Safety (DOS), an estimated 20 percent, or 2,445 (12,225 x 20.0%), will have their license revocation stayed on grounds of hardship; and an additional 25 percent, or 3,056 drivers (12,225 x 25%), will qualify to have fees and fines waived and will therefore not have their license revoked.
- The reinstatement fee for a driver's license is \$65.
- A total decrease in license revocations of 5,501 (2,445 stays + 3,056 waivers).
- The recurring decrease in state revenue to the DOS is estimated to be \$357,565 (\$65 x 5,501).
- Based on information provided by the DOS, an estimated 6,500 additional restricted licenses will be issued at a cost of \$65 pursuant to the provisions of the legislation authorizing persons with a revoked license to apply for a restricted license under certain circumstances.
- The recurring increase in state revenue to the DOS is estimated to be \$422,500 (\$65 x 6,500).
- The net recurring increase in state revenue to the DOS is estimated to be \$64,935 (\$422,500 increase - \$357,565 decrease).
- Per the current state contract, the DOS is charged \$2.23 for each additional license printed. The recurring increase in state expenditures for the DOS is estimated to be \$14,495 (\$2.23 x 6,500).
- Given the provisions of the legislation decrease annual license reinstatements and increase annual restricted licenses issued, it is estimated that the DOS will be able to execute the additional provisions of the legislation within existing resources.
- The DOS reports that similar A-List system changes have been provided by the vendor at no cost; therefore it is estimated that the Department's information technology expenditures will not increase due to the provisions of the legislation.
- The extent to which the courts will elect to charge a waiver application fee and the amount of each fee is unknown. It is assumed that any permissive application fee revenue generated would be retained by the local court clerk.
- It is reasonably assumed that the average waiver application fee will exceed \$10.
- The permissive recurring increase in local court clerk revenue is estimated to exceed \$30,560 (\$10 fee x 3,056 waivers).
- It is assumed that outstanding litigation taxes, court costs, jail fees or other incarceration costs, and fines of indigent offenders are not currently being collected.
- Due to multiple unknown factors, the extent to which indigent persons receive a waiver for outstanding litigation taxes, court costs, and fines is unknown. However, it is reasonably estimated that the fee waivers will result in unknown amounts of forgone state and local revenue.

CERTIFICATION:

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

Handwritten signature of Krista M. Lee, RNC in blue ink.

Krista M. Lee, Executive Director

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