

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 888 - HB 1362**

March 20, 2021

**SUMMARY OF BILL:** Make various changes to small estates administration. Requires that to file an affidavit for a small estate, the decedent must not have left a will. Removes the requirement of listing unpaid debts left by the decedent in the affidavit.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – \$121,500/FY21-22 and Subsequent Years**

Assumptions:

- Pursuant to Tenn. Code Ann. § 30-4-102(5), in order to qualify for a small estate, the decedent is prohibited from having more than \$50,000 in personal property.
- This legislation authorizes a person administering a small estate to forego making an inquiry as to the decedent's creditors.
- This provision can impact the Division of TennCare's estate recovery, as it removes incentives for an affiant to determine if a decedent has creditors. Currently, TennCare requests that small estates be converted to probate estates so the Division may file a claim with the court.
- Based on information provided by TennCare, at least 25 cases reviewed by estate recovery for 2020 began as a small estate. Twenty-one of these cases were not pursued, as they were not cost effective or the estate qualified for a waiver. There were at least two cases where TennCare converted a small estate to full probate and recovered a total of \$360,609.
- Any TennCare expenditures will receive a federal match rate of 66.295 percent.
- This legislation will result in a decrease in state and federal revenue expected to be \$121,543 (\$360,609 x 33.705% state match) and \$239,066 (\$360,609 x 66.295% federal match) in FY21-22 and subsequent years, respectively.
- The proposed legislation concerns wills and trusts occurring between private parties; therefore, any impact to local government is estimated to be not significant.
- The courts will not experience an increase in caseloads; therefore, any impact to the court system is estimated to be not significant.

**SB 888 - HB 1362**

**CERTIFICATION:**

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/jg