

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2768 - SB 2965**

February 2, 2010

**SUMMARY OF BILL:** Requires drivers convicted of Driving Under the Influence (DUI) with a Blood Alcohol Content (BAC) of 0.15 percent or higher, or accompanied by a minor, or convicted of refusing the blood/alcohol test at the same time convicted of DUI, be ordered by the court to drive only vehicles equipped with an ignition interlock device (IID) if issued a restricted driver license. Creates the Interlock Assistance Fund (IAF) in the State Treasury to assist indigent drivers with costs of the interlock device. Requires the installers to collect a \$30 fee per month in addition to the cost of the device and forward those collections to the Treasury to be allocated as follows: \$22 to the IAF, \$4 to the Tennessee Hospital Association, \$1 to the Department of Mental Health and Development Disabilities, \$1 to the Department of Finance and Administration, \$1 to the Department of Safety (DOS), and \$1 to the Department of Probation and Parole. Provides that if the IAF is depleted, the person will not be eligible for a restricted driver license or be permitted to reinstate until the person can afford the device. Requires an annual report from the Tennessee Bureau of Investigation to the Judiciary Committees of the House and Senate regarding the number of DUI offenses that result in conviction that do not require an interlock device. Requires DOS to report annually the number of interlock devices installed. Requires the Administrative Office of the Courts to provide training for the judges regarding implementation.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$303,600/Recurring/Interlock Assistance Fund**  
**\$55,200/Recurring/Earmarked For Various State Accounts**  
**\$49,500/Recurring/General Fund**

**Increase State Expenditures –**

**\$303,600/Recurring/Interlock Assistance Fund**  
**\$55,200/Recurring/Variou s State Accounts**  
**\$45,500/One-Time/General Fund**

**Increase Local Revenue – \$17,700/Recurring**

**Increase Local Expenditures – Not Significant/Recurring**

**Other Fiscal Impact – The Tennessee Hospital Association will be allocated \$55,200 per year for the sole purpose of making grants to hospitals designated as critical access hospitals under the Medicare Rural Flexibility Program.**

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Assumptions:

- According to the Department of Safety, a total of 3,877 restricted driver licenses were issued to individuals with DUI convictions in 2008. Of those, 1,163 restricted driver licenses were issued to individuals convicted of DUI while having a BAC of 0.15 percent or higher. Twenty-five restricted licenses were issued to individuals convicted under the implied consent law during 2008. These 1,188 DUI offenders would be required under this bill to operate only a motor vehicle with a functioning IID installed. Approximately 20 percent or 238 would be declared indigent. This results in 950 non-indigent offenders.
- Under current law, if a person is convicted of driving under the influence (DUI) and has a prior conviction of DUI within the past five years, the person is required to operate only a motor vehicle which is equipped with an ignition interlock device (IID), leased or owned by the person at the person's own expense for a period of six months.
- According to the Department of Finance and Administration, as of January 2010, 2,743 Tennessee driver license holders had an interlock restriction; 580 license holders had an IID installed. It is assumed that 50 percent or 290 of these license holders would also fall under the provisions of this bill requiring an IID for up to one year. The remaining 290 would be required to have a functioning IID installed for six months. Of these 290, it is estimated that 10 percent (29) will be unable to pay the additional costs under this bill and will be declared indigent. This will result in 261 additional non-indigent offenders.
- The total number of non-indigent offenders required to have an IID installed is estimated to be approximately 1,211 (950 + 261).
- It is estimated that approximately five percent of non-indigent offenders will decline to comply with the provisions of having a restricted license and interlock device. This will result in a total of 1,150 non-indigent offenders complying with the provisions of this bill.
- Twenty-two dollars of the \$30 monthly fee will be allocated to the Interlock Assistance Fund. The total amount available for assisting indigent offenders is estimated to be approximately \$303,600 ( $\$22 \times 12 \text{ months} \times 1,150$ ). The number of indigent offenders is estimated to be 267. The average cost of installing and maintaining an interlock device is approximately \$1,230. The amount available to cover the costs of indigent drivers will cover approximately 247 offenders.
- One dollar of the \$30 monthly fee is allocated to the Department of Safety to offset the increased expenditures to administer specified provisions of this bill. A total of \$13,800 will be allocated to the Department annually ( $1,150 \times \$1 \times 12$ ).
- The Department of Safety will require computer program changes to capture the new type of convictions that require an interlock device. Thirteen programs would require changes at an approximate cost of \$3,500 per program for a one-time increase in expenditures of \$45,500.
- One dollar of the \$30 monthly fee will be allocated to the Board of Probation and Parole (BOPP) for the purpose of funding grant awards to department-certified halfway houses whose primary focus is to assist drug and alcohol offenders. The total amount allocated to BOPP will be approximately \$13,800. This will result in an increase in expenditures of \$13,800 ( $1,150 \times \$1 \times 12 \text{ months}$ ).

- One dollar of the \$30 monthly fee will be allocated to the Department of Finance and Administration (F&A) resulting in a total allocation of approximately \$13,800 (1,150 x \$1 x 12 months). Increased expenditures of \$13,800 to F&A will result from additional grants being issued in the amount equal to increased revenue from allocations of the \$30 fee created in this bill.
- One dollar of the \$30 monthly fee will be allocated to the Department of Mental Health and Development Disabilities. This will result in a total allocation of \$13,800 (1,150 x \$1 x 12 months) to the Alcohol and Drug Addiction Treatment Fund (ADAT fund). According to the Department, the ADAT fund already has insufficient funding to sustain existing programs. The \$13,800 will be used to sustain existing programs.
- Four dollars of the \$30 monthly fee is allocated to the Tennessee Hospital Association for the purpose of making grants to hospitals that have been designated as critical access hospitals under the Medicare Rural Flexibility program. This will result in an increase in state expenditures equal to the amount allocated to the Tennessee Hospital Association. The increase in state expenditures from the allocation of these funds will result in an increased expenditure of \$55,200 (1,150 x \$4 x 12 months).
- There will not be a sufficient number of prosecutions for driving a vehicle without an IID for state or local government to experience any significant increase in revenue or expenditures.
- An increase in recurring state revenues of approximately \$49,500 due to an increase in sales and use tax collections on purchases of ignition interlock devices. It is estimated that there will be taxable sales of \$1,414,500. Approximately half of this amount is estimated to be sales that would have occurred in the absence of this bill. This results in an increase in taxable sales of approximately \$707,300. This will result in state sales and use tax collections of \$49,500 (\$707,300 x 7% tax rate).
- An increase in local government revenue of approximately \$17,700 derived from an average local option sales tax rate of 2.5 percent (\$707,300 x 2.5%).

**CERTIFICATION:**

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



James W. White, Executive Director

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