

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2481 - HB 2708

February 10, 2010

SUMMARY OF BILL: Increases the penalty from a Class A or B misdemeanor to a Class E felony for a third or subsequent conviction for prostitution.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Not Significant

Increase State Expenditures - \$12,115,500/Incarceration*

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions:

- Under current law, prostitution is a Class B misdemeanor unless the offense is committed within 100 feet of a church or within 1.5 miles of a school which is a Class A misdemeanor.
- State court convictions are 10 percent of the total convictions statewide. According to the Administrative Office of the Courts, there has been an average of 57.6 Class A misdemeanor convictions for prostitution in each of the past five years and an average of 27.4 Class B misdemeanor convictions. Total convictions, including general sessions courts, are estimated to be an average of 850 per year.
- According to the information obtained from the Metropolitan Nashville Police Department, there were 564 people arrested for prostitution for the period July 1, 2008, through June 30, 2009. Of the total, 45 percent (254) were for third or subsequent offenses.
- Forty-five percent (382.50) of the total (850) misdemeanor convictions would be third or subsequent offenses and would be sentenced to a Class E felony.
- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2010 is \$59.86.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will result in 40 additional offenders. The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 423 offenders.

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- According to DOC, the average post-conviction time served for a Class E felony is 1.31 years (478.48 days). The cost per offender at 1.31 years is \$28,641.81 (\$59.86 x 478.48 days). The total additional cost for 423 offenders is \$12,115,485.63 (\$28,641.81 x 423).
- A small increase in cases in the court system, which will result in additional local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

*Tennessee Code Annotated, Section 9-4-210, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

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



James W. White, Executive Director

/lsc