

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2926 – HB 3264

March 1, 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 under 13 years of age 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 \$25 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, \$2 to the Department of Finance and Administration, and \$1 to the Department of Safety (DOS). 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 the Administrative Office of the Courts to provide training for the judges regarding implementation.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$298,600 /Recurring/Interlock Assistance Fund
\$40,800/Recurring/Earmarked For Various State Accounts
\$48,700/Recurring/General Fund

Increase State Expenditures –

\$298,600 /Recurring/Interlock Assistance Fund
\$27,200/Recurring/Department of Finance and Administration Grants
\$45,500/One-Time/General Fund

Increase Local Revenue – \$17,400/Recurring

Increase Local Expenditures – Not Significant/Recurring

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. These 1,163 DUI offenders would be required under this bill to operate only a motor vehicle with a functioning IID installed. Approximately 20 percent or 233 would be declared indigent. This results in 930 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 1,191 (930 + 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 1,131 non-indigent offenders complying with the provisions of this bill.
- Twenty-two dollars of the \$25 monthly fee will be allocated to the Interlock Assistance Fund. The total amount available for assisting indigent offenders is estimated to be approximately \$298,600 ($\$22 \times 12 \text{ months} \times 1,131$). The number of indigent offenders is estimated to be 262. 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 242 offenders.
- One dollar of the \$25 monthly fee is allocated to the Department of Safety to offset the increased expenditures to administer specified provisions of this bill. A total of approximately \$13,600 will be allocated to the Department annually ($1,131 \times \$1 \times 12$).
- 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.
- Two dollars of the \$25 monthly fee will be allocated to the Department of Finance and Administration (F&A) resulting in a total allocation of approximately \$27,200 ($1,131 \times \$2 \times 12 \text{ months}$). Increased expenditures of \$27,200 to F&A will result from additional grants being issued in the amount equal to increased revenue from allocations of the \$25 fee created in this bill.
- 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 \$48,700 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 \$1,391,100. 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 \$695,550. This will result in state sales and use tax collections of \$48,700 ($\$695,550 \times 7\% \text{ tax rate}$).

- An increase in local government revenue of approximately \$17,400 derived from an average local option sales tax rate of 2.5 percent ($\$695,550 \times 2.5\%$).

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" being the most prominent.

James W. White, Executive Director

/jaw