

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**HB 1443 – SB 1666**

April 25, 2011

**SUMMARY OF AMENDMENT (006474):** Deletes the original bill. Requires the Department of Safety (DOS) to issue a photo identification license free of charge to any person that has signed an affidavit stating: the person does not have a valid government issued photo identification, the person is a registered voter in this state, and the person needs the photo identification license for voting purposes.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On April 19, 2011, a fiscal memorandum was issued estimating a fiscal impact as follows:

*Decrease State Revenue - \$372,500/Recurring*

*Forgone State Revenue - \$449,800/FY11-12 and Every Five Years Thereafter*

*Increase State Expenditures - \$15,500/One-Time*

*\$408,000/FY11-12 and Every Five Years Thereafter*

Due to incomplete data, this impact was in error. Based upon additional information provided by the Department of Safety, the estimated impact is:

**(CORRECTED)**

**Decrease State Revenue - \$21,600/Recurring**

**Forgone State Revenue - \$449,800/FY11-12 and Every Five Years Thereafter**

**Increase State Expenditures - \$15,500/One-Time**

**\$422,600/FY11-12 and Every Five Years Thereafter**

**HB 1443 – SB 1666 (CORRECTED)**

Assumptions applied to amendment:

- DOS estimates that 126,262 registered voters hold either non-photo driver licenses or a non-photo identification only licenses. Of this number, 37,879 have non-photo identification only licenses and 88,383 have non-photo driver licenses.
- According to DOS, of the 37,879 individuals that have non-photo identification only licenses, approximately 26,497 are age 65 or older that have non-expiring non-photo identification only licenses; thus 11,382 have expiring non-photo identification only licenses.
- DOS indicates the only loss of fee revenue to the state will be attributable to the 11,382 individuals that have expiring non-photo identification licenses.
- The total fee for a photo identification license is \$9.50 (\$7.50 license fee + \$2.00 application fee).
- Photo identification licenses are valid for five years.
- DOS indicates the annual loss of state fee revenue will be \$21,626 [(11,382 x \$9.50) x 20%].
- DOS estimates that 106,313 registered voters holding either a non-photo driver license or a non-photo identification only license will come to a driver license center within the next year to obtain their free photo identification license. The cost of producing the license is \$2.75. The increase in state expenditures will be \$292,361 (106,313 x \$2.75) in FY11-12. This expenditure will recur every five years.
- DOS indicates that an additional 47,350 registered voters that currently do not hold either a driver license or identification only license will apply for the free photo license. The increase in state expenditures will be \$130,213 (47,350 x \$2.75) in FY11-12. This expenditure will recur every five years.
- The total increase in state expenditures for FY11-12, and every five years thereafter, will be \$422,574 (\$292,361 + \$130,213).
- There will be a one-time increase in state expenditures of \$15,500 for computer and programming costs.
- Due to the 47,350 registered voters that currently do not hold either a driver license or identification only license applying for a free photo identification license next year, when they would not have otherwise, there will be forgone state revenue of \$449,825 (47,350 x \$9.50). This forgone state revenue will recur every five years.

**CERTIFICATION:**

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



James W. White, Executive Director

/mnc