

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 35 – SB 64

May 17, 2011

SUMMARY OF AMENDMENTS (00790271, 00790365): Deletes the original bill. Prohibits prosecution of minors under the age of 18 for prostitution and requires law enforcement officers to release minors suspected of this offense into the custody of a parent or guardian with the telephone number for the national human trafficking resource center hotline. Makes the penalty for patronizing prostitution of a minor or an individual who is mentally handicapped a Class E felony. Defines promoting prostitution of a minor. Removes the option of suspension of prosecution for these offenders.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$5,923,200
\$21,800/Incarceration*

Increase Federal Expenditures - \$3,842,800

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures - \$14,100/Incarceration*

Assumptions applied to amendments:

- No additional youth will come into the custody of the Department of Children's Services. Minors accused of prostitution will be released to a parent or legal guardian. If a parent or guardian is not available, the youth will go into state custody; however, this is the current practice of DCS.
- According to the Administrative Office of the Courts, there has been an average of nine convictions in each of the past five years for the misdemeanor offense of patronizing prostitution.
- According to the Tennessee Bureau of Investigation's Crime in Tennessee 2009 report, there were 16 juveniles and 2,461 adults arrested for prostitution. The Department of Correction (DOC) assumes less than one percent (0.65%) of the 2,461 adults arrested involved minors.
- According to DOC, the average operating cost per offender per day for calendar year 2011 is \$60.62. The average post-conviction time served for a Class E felony is 1.27 years. The cost per offender for a Class E felony is \$28,119.80 (463.87 days x \$60.62).

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- DOC estimates one additional Class E felony every two years will be convicted of a Class E felony rather than a misdemeanor for patronizing prostitution of a person who is younger than 18 years of age or is mentally defective. The annualized time served per conviction is 231.94 days (0.50 annual number of convictions x 463.87 days). The annualized cost per conviction is \$14,060.20 (\$60.62 x 231.94 days).
- The total additional operating cost is \$14,060.20.
- No additional operating cost as a result of population growth in this period.
- Removing the option for these offenders to receive suspension of prosecution will not have a significant impact on the caseload of the courts or a significant decrease in state or local revenue as a result of offenders no longer paying into the suspension of prosecution program as described in § Tenn. Code Ann. 40-15-105.

**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

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