

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**CORRECTED  
FISCAL NOTE**

**HB 2025 - SB 1769**

April 4, 2011

**SUMMARY OF BILL:** Eliminates the prohibition against dismissal of a charge of failure to provide evidence of financial responsibility where the person charged did not have financial responsibility in effect at the time of the charge.

**ESTIMATED FISCAL IMPACT:**

On March 17, 2011, a fiscal note was issued estimating a fiscal impact as follows:

*NOT SIGNIFICANT*

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

**(CORRECTED)**

**Decrease State Revenue – \$1,388,000**

**Decrease Local Revenue – \$32,000**

Assumptions:

- According to the Department of Safety (DOS), in FY07-08 there were 16,000 charges reported to the Department that were dismissed, as authorized at the time, when the person obtained insurance prior to the court date, but was not in effect on the date of the violation.
- DOS estimates 75 percent of those drivers reinstate their license annually for a fee of \$65. These drivers would no longer have their license suspended for violation of the Tennessee Financial Responsibility Law; therefore, fewer reinstatements will occur. A recurring decrease in state revenue of \$780,000 (16,000 dismissals x 75% x \$65).
- An average fine of \$50 for violations with an 80 percent collection rate.
- A decrease in fine revenue of \$640,000 (16,000 dismissals x \$50 average fine x 80%).
- Five percent is paid to local governments for court clerk commissions.
- A recurring decrease in local government revenue of \$32,000 (\$640,000 x 5%).
- A recurring decrease in state revenue of \$608,000 (\$640,000 - \$32,000).

**HB 2025 - SB 1769 (CORRECTED)**

**CERTIFICATION:**

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



James W. White, Executive Director

/jaw