

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2459 - SB 2544

February 22, 2012

SUMMARY OF BILL: Prohibits any individual under the age of 21 from entering any establishment which sells intoxicating liquor for off-premise consumption unless such individual is accompanied by a parent, legal guardian, or spouse who is 21 years of age or older. Prohibits any individual who is 21 years of age or older from entering the above establishments if accompanied by a person who is under the age of 21 unless that person is the parent, legal guardian or spouse of the person who is under 21 years of age. Prohibits any individual who is visibly intoxicated from entering into any establishment which sells beverages with alcohol content over 5 percent by volume, for off-premise consumption.

Creates a Class C misdemeanor offense for the first violation of this act punishable by a fine only of \$50. A second violation is a Class A misdemeanor punishable by a fine only of \$200. Any individual between the ages of 16 and 21, who is convicted of a second violation, must submit within 5 working days of the conviction an order of denial of driving privileges for up to one year to the Department of Safety, Driver Control Division. The judge must order the issuance of a restricted motor vehicle operator's license in accordance with present law regarding the suspension of driver licenses. If such offender does not possess a driver license, the court may sentence the offender to up to 100 hours of community service.

Beginning October 1, 2012, each retailer which sells alcoholic beverages for off-premise consumption is required to post at the public entrance to the store signage that states it is an offense to commit any of the above acts. If such retailer fails to post such signage, such retailer is not subject to a criminal offense or civil fine, nor does it prevent the criminal prosecution of any of the above offenses. If an individual is told to leave the premises by the owner, agent, or employee of a retailer and chooses not to, the individual commits a Class C misdemeanor offense of criminal trespass.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$4,300/Recurring
Increase State Expenditures - \$42,700/One-Time

Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

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Assumptions:

- According to the Department of Safety (DOS), information technology development and computer programming costs will be incurred to develop three separate computer codes for these new offenses.
- According to DOS, it will take 3.1 hours to setup new action code in codes data base, 94 hours of programming for court reporting systems, and 175 hours of mainframe updates.
- According to DOS, it will contract out these duties; therefore, a one-time increase in state expenditures of \$42,687.50. Such costs are based on the average hourly wage and include work performed by a project manager (112.5 hours x \$90 per hour = \$10,125), a programming specialist (272.1 hours x \$75 per hour = \$20,407.50), and an analyst (187 hours x \$65 per hour = \$12,155).
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- It is assumed that individuals convicted of such misdemeanor offenses will not be relieved from registering or renewing registration for their motor vehicles. Therefore, no decrease in state revenue from a reduction in motor vehicle registrations or renewals.
- It is estimated that the number of individuals convicted of such misdemeanor offenses who will subsequently purchase a restricted license is approximately 50 individuals. The cost for a restricted driver license is \$65; the cost of reinstatement for individuals ages 16-20 is \$20. The total recurring increase in state revenue is estimated to be \$4,250 [50 x (\$65 + \$20)].

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/jdb