

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 1407 - SB 1496

January 28, 2014

SUMMARY OF BILL: Authorizes handgun carry permit holders to carry a firearm in any state, county, or municipal park or other recreation area. Declares this authorization to take precedent over any ordinance or resolution adopted by a local government entity that prohibits or regulates the possession, carrying, or storage of a firearm or ammunition within or on the premises of any such park or recreation area. Declares that no city, county, or metropolitan government shall occupy any part of the field of regulation of the transfer, ownership, possession or transportation of firearms, ammunition or components of firearms or combinations thereof.

ESTIMATED FISCAL IMPACT:

On January 20, 2014, a fiscal note was issued for this bill indicating the following estimated impact:

Increase State Expenditures - \$38,200/One-Time

*Increase Local Expenditures – Exceeds \$10,000/Recurring**

Based on additional information received from multiple entities concerning the estimated fiscal impact to local governments, the fiscal impact of the bill is estimated as follows:

(CORRECTED)

Increase State Expenditures - \$38,200/One-Time

Other Fiscal Impact – There may be additional expenditures for some local government entities if insurance premiums for civil liability increase; however, any such impact is dependent upon multiple unknown factors and cannot be reasonably quantified.

Assumptions:

- According to the Department of Safety and Homeland Security, there should be no impact to the handgun permit unit of the Department.

HB 1407 – SB 1496 (CORRECTED)

- According to the Department of Environment and Conservation (TDEC), currently signs in most state parks state that firearms are not allowed. TDEC estimates an average of three signs at 53 parks across the state (for a total of 159 signs) will require replacements due to passage of this bill. Based on TDEC information, the average cost is estimated to be \$240 per sign. The one-time increase in state expenditures is estimated to be \$38,160 (159 signs x \$240).
- According to the County Technical Assistance Service, this bill could cause the liability insurance premiums for counties to increase.
- According to the Municipal Technical Assistance Advisory Service, insurance premiums for local municipalities could increase as a result of increased civil liability for injuries.
- Liability insurance premiums for local education agencies could increase because some schools utilize city parks for school functions.
- The fiscal impact to local governments is dependent upon several unknown factors, including but not limited to, the extent to which handgun carry permit holders begin carrying handguns into parks and recreation areas where they are currently prohibited by local ordinance or resolution, the extent to which any incidents may occur in these parks and recreation areas, the extent to which local education agencies utilize these local government parks and recreation areas, the extent to which civil liability may increase (if any) for the applicable local government entities, and the extent to which insurance premiums may rise for local governments as a result of any actual or perceived increased liability. Given the extent of unknown factors, determining a precise fiscal impact to local governments is difficult and is not quantifiable.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/rnc