

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1927 - SB 2092

February 2, 2014

SUMMARY OF BILL: Authorizes any person who is honorably discharged from any branch of the United States armed forces, who is on active duty in any branch of the armed forces, or who is currently serving in the National Guard or armed forces, who makes initial application for a handgun carry permit, to pay only the portion of the initial handgun carry application fee necessary to conduct the required criminal history record checks.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$18,500/Department of Safety
Forgone State Revenue – Exceeds \$3,700/Department of Safety

Increase State Expenditures – Exceeds \$300/Department of Safety

Assumptions:

- According to the Department of Safety and Homeland Security (DOS), there are 500 military applicants each year who use military handgun training to be exempt from the required training portion of the handgun permit application process. It is assumed that 100 percent of all military applicants use their military handgun training to be exempt from the required training. Therefore, the total number of military applicants is estimated to be 500 each year under current law. Such applicants are required to pay the initial application and processing fee of \$115.
- According to DOS, \$78 of the initial application and processing fee is allocated for the costs of conducting the criminal history record check. This \$78 will continue to be collected under the provisions of this bill.
- There will be a \$37 discount for each new military applicant (\$115 - \$78) that would apply under current law and have been retained by the DOS. The recurring decrease in state revenue to DOS is estimated to be \$18,500 (\$37 discount x 500 current applicants).
- The proposed discounted price of the initial application and processing fee is anticipated to generate at least 100 additional military applicants each year that would not otherwise apply under current law. Therefore, recurring forgone state revenue estimated to exceed \$3,700 (\$37 discount x 100 minimum additional applicants).

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- DOS indicates the cost to print a new handgun carry permit for the 100 minimum additional applicants is \$2.23, and the cost to mail the permit is \$0.413, for a total cost of \$2.64 (\$2.23 + \$0.413) per applicant.
- The recurring increase in state expenditures is estimated to exceed \$264 (100 minimum additional applicants x \$2.64).

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/rnc