

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 535 - HB 992

March 21, 2013

**SUMMARY OF BILL:** Requires the Department of Correction (DOC) to pay all incarceration costs of a probationer held by a local law enforcement agency from the time of arrest until transferred into the custody of the department. The DOC does not have to pay if the probationer's probation is reinstated.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$7,338,600/Incarceration\***

**Increase Local Revenue – \$7,338,600**

**Other Fiscal Impact – According to the Fiscal Review Committee 2012 Local Government Survey, the average cost of housing an inmate in a local jail is \$50.79 per day. Under current law, local governments expend approximately \$7,674,054 each year to house the applicable offenders Under the proposed bill, the state will reimburse local governments approximately \$7,338,626 each year. Local governments will continue incurring approximately \$335,428 in recurring expenditures for the purpose of housing these offenders.**

Assumptions:

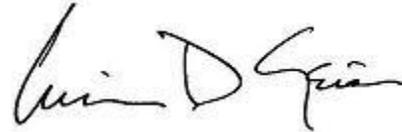
- According to the DOC, there has been an average of 2,404 revocation proceedings filed each year for the past three years. Of those, proceedings, there has been an average of 974.33 probations reinstated each year in the past three years.
- It is assumed that the bill would result in the DOC reimbursing local governments for 1,430 probationers each year (2,404 - 974). According to the DOC, the average number of days each probationer spends in local custody until final disposition is 105.66.
- The bill would result in the DOC paying for 1,430 probationers each year spending 150.66 days in local custody. The DOC reimburses local governments for housing inmates at a rate of \$48.57 per day. The bill would result in an increased incarceration cost of \$7,338,626 [(1,430 parolees x 105.66 days) x \$48.57]
- There will be an increase in local revenue, as the financial burden for housing these offenders will be shifted from the local governments to the State. The estimated increase in local revenue is \$7,338,626.
- According to the Fiscal Review Committee's 2012 Local Government Survey, the average cost of housing an inmate in a local jail is \$50.79 per day. Under current law,

local governments expend approximately \$7,674,054 each year to house the applicable offenders [(1,430 parolees x 105.66) x \$50.79]. Under the proposed bill, the state will reimburse local governments approximately \$7,338,626 each year. Local governments will continue incurring approximately \$335,428 in recurring expenditures for the purpose of housing these offenders (\$7,674,054 - \$7,338,626).

*\*Tennessee Code Annotated § 9-4-210 requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated 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.



Lucian D. Geise, Executive Director

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