

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 674 - HB 617

February 28, 2013

SUMMARY OF BILL: Reduces the maximum amount of products containing ephedrine or pseudoephedrine base a person may buy in a 30-day period from nine grams to five grams. Reduces, from nine grams to five grams, the amount of an immediate methamphetamine precursor a person has to possess with the intent to manufacture methamphetamine to commit promoting the manufacture of methamphetamine, a Class D felony.

ESTIMATED FISCAL IMPACT:

On February 24, 2013, a fiscal note was issued estimating a fiscal impact as follows:

*Increase State Expenditures – \$2,817,000/Incarceration**

Based on a typographical error, the impact was misstated. The estimated impact is:

(CORRECTED)

Increase State Expenditures – \$1,729,200/Incarceration*

Assumptions:

- According to the Department of Correction (DOC), there has been an average of 274 admissions for promoting methamphetamine manufacturing per year for the past three years. It is assumed that the bill would result in a 20 percent increase in admissions (274 admissions x 0.20 = 55 admissions).
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will account for 7 (55 x .1178) additional admissions for a total of 62 (55 + 7).
- According to statistics from the DOC, the average time served for promoting the manufacture of methamphetamine has been 1.19 years over the past three years.
- According to the DOC, the average operating cost per offender per day for calendar year 2013 is \$64.17.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 62 offenders serving 1.19 years (434.65 days) for a total of \$27,891 (\$64.17 x 434.65 days). The cost for 62 offenders is \$1,729,242 (\$27,891 x 62).
- Due to the moderate increase in admissions, it is assumed that the District Attorneys General Conference and the District Public Defenders Conference can absorb the impact

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on their caseloads within their existing resources without an increased appropriation or reduced reversion.

- It is assumed that the courts can absorb the increase in caseload within its existing resources without an increased appropriation or reduced reversion

**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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