

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2321 - HB 2131

March 2, 2014

**SUMMARY OF BILL:** Authorizes Anderson County, upon a two-thirds majority vote of the county legislative body at two consecutive meetings or by approval of a majority of qualified voters of the county, to levy a privilege tax, not to exceed \$8.00 per bail bond issued. Any increase or decrease in an existing bail bond shall not constitute a new bail bond if the bail bond is collected by the same bail bondsman and includes all charges against a defendant that are based on the same conduct and arising from the same criminal episode, and the tax imposed shall not be a separate tax on each charge arising from incidents in a single course of conduct.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue - \$19,800/Permissive**

**Increase Local Expenditures - \$511,300/Permissive**

**Other Fiscal Impact – In the event Anderson County opts to hold a referendum of eligible voters in conjunction with a general election there will be no addition fiscal impact; however if a special election is held it will result in a permissive increase in local government expenditures of \$50,600.**

Assumptions:

- The provisions of the bill are permissive to Anderson County and will require the privilege tax to first be approved either by the county legislative body at two consecutive regularly-scheduled meetings or by a majority of qualified voters in a general election or special election.
- According to the Secretary of State, in the event Anderson County opts to hold a county referendum to approve the privilege tax in conjunction with a general election, there would be no additional fiscal impact to hold the referendum; however if a special election were held, it would result in an increase of \$50,598.
- According to Anderson County, in 2013 there were 4,350 arrests within in the county.
- Based on responses to the 2013 Local Government Survey conducted by the Fiscal Review Committee, participating county officials reported an average of 67 percent of individuals arrested are released on bail or bond.

- Under current law, it is estimated 67 percent or 2,915 (4,350 x 67%), of individuals arrested in Anderson County will be released on bail or bond. It is reasonably estimated that 15 percent or 437 (2,915 x 15%), of those individuals will be unable to afford the increase of \$8.00 and as a result will remain in jail.
- The release of 2,478 (2,915 released under current law – 437 unable to afford new tax) arrestees would result in an increase in local government revenue of \$19,824 (2,478 individuals x \$8 tax charged per individual).
- According to Anderson County, the average length of stay of an inmate is approximately 18 days, with an average cost of \$65.00 per day per inmate.
- Assuming 437 individuals who would have previously been released on bail or bond will now remain in jail for the average length of stay, it would result in an increase in local government expenditures of \$511,290 [(437 individuals x \$65.00 per day cost) x 18 days each].

**CERTIFICATION:**

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



Lucian D. Geise, Executive Director

/jrh