

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 2367 - HB 2351

March 10, 2014

SUMMARY OF BILL: Authorizes, after a period of default of at least five years, a court clerk to accept a lump sum partial payment for fines, costs, or litigation taxes owed. Requires any lump sum accepted to be equal to or greater than 50 percent of the combined outstanding balance of all fines, costs, and litigation taxes due. Requires court approval if the defendant is on probation at the time of settlement. Requires monies collected to first be allocated toward payment of litigation taxes, then payment of costs, then toward payment of fines after 50 percent of the monies collected is retained by the clerk for collection costs.

ESTIMATED FISCAL IMPACT:

On March 9, 2014, a fiscal note was issued estimated a fiscal impact as follows:

Increase Local Revenue – Exceeds \$5,000

Forgone Local Revenue – Exceeds \$5,000

This impact was in error. Due to newly obtained information regarding fine collections and estimates received, the estimated impact is:

(CORRECTED)

**Increase State Revenue – \$10,000/FY16-17
\$35,000/FY17-18 and Subsequent Years**

Increase Local Revenue – Exceeds \$100,000

Forgone Local Revenue – Exceeds \$100,000

Assumptions:

- It is assumed that outstanding debt, in default at least five years, would not be paid in the absence of this bill.
- According to the Department of Safety, the department would not receive fines, litigation taxes, or court costs. The department estimates there could be additional

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revenues from citizens paying reinstatement fees for driver licenses earlier due to being allowed to pay off criminal fines, taxes, etc. While a precise increase in revenue cannot accurately be determined, it is reasonably estimated to be \$10,000 in FY16-17 and \$35,000 in FY17-18 and subsequent years.

- It is assumed that there is at least \$200,000 in outstanding debt that local governments are not currently collecting.
- According to Court Clerks, the provisions of the bill will result in an increase to local revenue, however due to multiple unknown factors such as, the number of cases that have been in default for at least five years, the extent of fines, costs, and litigation taxes owed on each case, the number of cases on which a lump sum will be collected, and the extent of any lump sum collected under the provisions of this legislation, a precise increase in local government revenue cannot be determined; however is reasonably estimated that at least 50 percent of the outstanding debt will be collected resulting in increased revenue that exceeds \$100,000 statewide.
- At least 50 percent of such outstanding debt will not be collected under the provisions of this bill, resulting in forgone local revenue. Due to multiple unknown factors however, a precise level of forgone local revenue cannot be determined but is reasonably estimated to exceed \$100,000 statewide.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/jrh