

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1704 – SB 1957

March 6, 2016

**SUMMARY OF ORIGINAL BILL:** Requires an offender sentenced to incarceration for manufacturing, delivering, selling, or possessing a controlled substance in a school zone to serve 33 percent of the sentence received before being eligible for release. Removes requirement that an offender serve a mandatory minimum sentence.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Net Impact – \$206,100/Incarceration\*

**SUMMARY OF AMENDMENT (012938):** Deletes all language after the enacting clause. Reduces the extent of the drug-free school zone in Hamilton, Knox, Davidson, and Shelby counties from 1,000 to 500 feet from a school.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Decrease State Expenditures – \$829,100/Incarceration\***

Assumptions for the bill as amended:

- Statistics from the Department of Correction (DOC), indicate that the following annual admissions relate to drug offenses committed within a drug-free school zone:
  - Class A felony – 9.4;
  - Class B felony – 14.7;
  - Class C felony – 9.8; and
  - Class D felony – 0.8.
- The bill as amended limits application to Hamilton County (336,400 population), Knox County (432,200 population), Davidson County (over 500,000 population), and Shelby County (over 900,000 population). Tennessee's total population was 6,346,100 in the 2010 census. Approximately 34.2 percent  $[(336,400 + 432,200 + 500,000 + 900,000) / 6,346,100]$  of Tennessee's population live in Hamilton County, Knox County, Davidson County, and Shelby County.
- It is assumed that approximately 34.2 percent of the drug offenses committed in drug-free school zones are committed in Hamilton County, Knox County, Davidson County,

and Shelby County. Further, it is assumed that one-half of these offenses are committed beyond 500 feet from a school.

- The bill as amended will result in the following admissions being prosecuted one classification lower than they would be under current law:
  - Class A felony – 1.6 [(9.4 x .342) x 0.5];
  - Class B felony – 2.5 [14.7 x .342) x 0.5];
  - Class C felony – 1.7 [9.8 x .342) x 0.5]; and
  - Class D felony – 0.1 [0.8 x .342) x 0.5].
- It is assumed that the bill as amended will result in two Class A felonies being punished as Class B felonies, three Class B felonies being punished as Class C felonies, two Class C felonies being punished as Class D felonies, and one Class D felony every 10 years being punished as a Class E felony.
- The average time served by felony class is:
  - Class A – 17.35;
  - Class B – 6.59;
  - Class C – 3.22;
  - Class D – 2.32; and
  - Class E – 1.47.
- According to the DOC, the average operating cost per offender per day for calendar year 2016 is \$67.73.
- 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 not affect the fiscal impact of this legislation.
- A recidivism discount does not apply to this legislation because it is reducing time served.
- The bill as amended will result in two offenders each year serving 10.76 fewer years (17.35 – 6.59), or 3,930.09 fewer days, than under current law.
- The bill as amended will decrease state incarceration costs by an estimated \$532,369.99 (3,930.09 days x \$67.73 x 2 offenders) for the two Class B felonies.
- The bill as amended will result in three offenders each year serving 3.37 fewer years (6.59 – 3.22), or 1,230.89 fewer days, than under current law.
- The bill as amended will decrease state incarceration costs by an estimated \$250,104.54 (1,230.89 days x \$67.73 x 3 offenders) for the three Class C felonies.
- The bill as amended will result in two offenders each year serving 0.9 fewer years (3.22 – 2.32), or 328.73 fewer days, than under current law.
- The bill as amended will decrease state incarceration costs by an estimated \$44,529.77 (328.73 days x \$67.73 x 2 offenders) for the two Class D felonies.
- The bill as amended will result in one offender every ten years serving 0.85 fewer years (2.32 – 1.47), or fewer 310.46 days, than under current law.
- The bill as amended will decrease state incarceration costs by an estimated \$2,102.75 [(310.46 days x \$67.73) / 10] for the one Class E felony every 10 years.
- The total decrease in state incarceration costs is \$829,107.04 (\$532,369.99 + \$250,104.54 + \$44,529.77 + \$2,102.75).

- The bill as amended will not affect the caseloads of the courts, district attorneys, or public defenders. It is assumed that they can handle any impact from the bill within their existing resources.

*\*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.



Krista M. Lee, Executive Director

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