

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1704 - SB 1957

February 21, 2016

SUMMARY OF 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.

ESTIMATED FISCAL IMPACT:

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

Assumptions:

- Tennessee Code Annotated § 39-17-432 enhances violations of Tenn. Code Ann. § 39-17-417 committed in a drug-free school zone. The bill would require offenders to only serve 33 percent of the sentence received before becoming release eligible.
- Statistics from the Department of Correction (DOC) show annual admissions for violations of Tenn. Code Ann. § 39-17-417 in school zone as follows:
 - Class A related offenses – 9.1 admissions;
 - Class B related offenses – 19.0 admissions;
 - Class C related offenses – 4.5 admissions.
- Further, statistics from the DOC show the average sentence received and the average time served for these offenses as follows:
 - Class A related offenses – 18.14 years; and 5.93 years average time served;
 - Class B related offenses – 8.45 years; and 3.17 years average time served;
 - Class C related offenses – 2.51 years; and 1.16 years average time served.
- 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.
- The bill would require each Class A offender to serve 5.99 years (18.14 x 0.33). The bill will increase the time served by Class A offenders by 0.06 years (5.99 – 5.93 years).
- A recidivism discount applies, but will not impact the fiscal impact due to the low number of additional incarceration time added by the bill.
- According to the DOC, the average operating cost per offender per day for calendar year 2016 is \$67.73.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based

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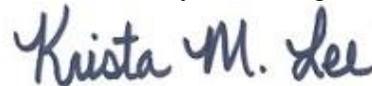
on nine offenders serving an additional 0.06 years (21.92 days) for a total of \$1,484.64 (\$67.73 x 21.92 days). The increase in incarceration costs for nine offenders is estimated to be \$13,361.76 (\$1,484.64 x 9).

- The bill would require each Class B offender to serve 2.79 years (8.45 x 0.33). The average time served for these offenses is 3.17. The bill will decrease the time served by Class B offenders by 0.38 years (3.17 average time served – 2.79 years).
- Recidivism discounts do not apply to decreases in periods of confinement.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 19 offenders serving 0.38 fewer years (138.8 days) for a total of \$9,400.92 (\$67.73 x 138.8 days). The decrease in incarceration costs for nineteen offenders is estimated to be \$178,617.56 (\$9,400.92 x 19).
- The bill would require each Class C offender to serve 0.83 years (2.51 x 0.33). The average time served for these offenses is 1.16. The bill will decrease the time served by Class B offenders by 0.33 years (1.16 average time served – 0.83 years).
- Recidivism discounts do not apply to decreases in periods of confinement.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on five offenders serving 0.33 fewer years (120.53 days) for a total of \$8,163.50 (\$67.73 x 120.53 days). The decrease in incarceration costs for five offenders is estimated to be \$40,817.48 (\$8,163.50 x 5).
- The bill will result in a net recurring decrease in state incarceration costs estimated to be \$206,073.27 (\$178,617.56 + \$40,817.48 – \$13,361.76).
- The bill will not impact the number of admissions, but merely the time served. It is assumed that the courts, district attorneys, and public defenders can handle any impact 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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