

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 2405 - SB 2620**

March 15, 2016

**SUMMARY OF BILL:** Decreases, from \$115 to \$100, the renewable handgun carry permit application fee. Removes current language related to fee allocation and instead declares the \$100 fee should cover all aspects of processing the application and issuing a permit.

Mandates that any person, who has been honorably discharged from any branch of the United States armed forces or who is on active duty in any branch of the armed forces or who is currently serving in the national guard or armed forces reserve, and who makes initial application for a handgun carry permit, shall be required to pay only that portion of the initial application fee that is necessary to conduct the required criminal history record checks.

**ESTIMATED FISCAL IMPACT:**

On March 13, 2016, a fiscal note was issued for this bill with the following estimated impact:

*Decrease State Revenue - \$942,700/Handgun Permit Division*

Based on additional research, the estimated fiscal impact has been corrected as follows:

**(CORRECTED)**

**Decrease State Revenue - \$810,300/Handgun Permit Division**

Corrected Assumptions:

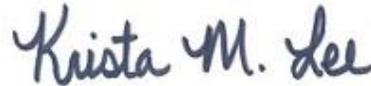
- Based on information provided by the Department of Safety (DOS), the five-year average for new initial handgun carry permit applications is 54,019 per year; these individuals pay the average initial \$115 permit application fee.
- From every new initial permit application fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining their databases; \$38 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation (FBI) fingerprint background checks; the remaining \$47 is retained by the Handgun Permit Division of DOS to specifically fund the administrative expenses of the Division.

**HB 2405 - SB 2620 (CORRECTED)**

- Pursuant to Tenn. Code Ann. §39-17-1351(p), any person, who has been honorably discharged from any branch of the United States armed forces or who is on active duty in any branch of the armed forces or who is currently serving in the national guard or armed forces reserve, and who makes initial application for a handgun carry permit shall be required to pay only that portion of the initial application fee that is necessary to conduct the required criminal history record checks, resulting in no change relative to current law for qualified military personnel.
- Any reduced fee revenue is revenue the Handgun Carry Permit Division would receive in the absence of the bill.
- The recurring decrease in state revenue to the Handgun Permit Division is estimated to be \$810,285 [54,019 x (\$115 - \$100)].
- The provisions of the bill will not impact renewal cycles or renewal fee revenue.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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