

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 39 – HB 1191

March 23, 2015

SUMMARY OF BILL: Prohibits any state or local law enforcement agency from owning or operating military vehicles, weapons, and aircraft. Requires such law enforcement agencies that currently own or operate military vehicles, weapons, and aircraft to divest itself of or destroy such items prior to January 1, 2016.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$60,000/Recurring/Department of Military

Increase State Expenditures – Exceeds \$5,000,000/One-Time

Decrease State Expenditures - \$5,000/Recurring

Increase Local Expenditures –Exceeds \$2,500,000/One Time*

Decrease Local Expenditures – \$106,000/Recurring

Other Fiscal Impact – To the extent state and local government do not replace items which are prohibited by the bill with other non-military replacement items, there would be a recurring decrease in state and local expenditures for no longer being required to maintain such equipment. Any such impacts cannot be determined because they are dependent upon unknown factors.

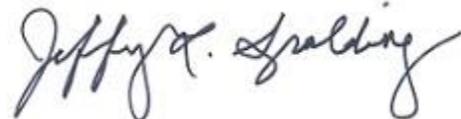
Assumptions:

- State and local law enforcement agencies will no longer participate in the Law Enforcement Support Office's 1033 (LESO 1033) program, which facilitates the transfer of excess Department of Defense Property that might otherwise be destroyed to law enforcement agencies across the United States and its territories.
- The fiscal impact of this bill is dependent on several unknown factors, including but not limited to, the specific state and local government entities possessing any military items prohibited by the bill, the extent of such items that any possessing entity may have in inventory, the decision or ability to destroy such items or return them to federal government surplus, whether the federal government will accept the return of any such items, the extent to which any possessing entity will replace prohibited items with non-military equivalents, the total cost to acquire any such non-military replacement equivalents, and the change in maintenance requirements for any non-military replacement equivalents.

- Based on an inventory of items provided by the Department of General Services, as well as detailed information from the Department of Safety (DOS), the Tennessee Wildlife Resources Agency, the Department of Correction, the Tennessee Bureau of Investigation, the one-time increase in state expenditures is reasonably estimated to exceed \$5,000,000.
- The inventory of items provided by General Services is available in the FRC office, upon request.
- Based on information provided by the County Technical Assistance Service, Municipal Technical Advisory Service, the Tennessee Sheriffs Association, and the POST Commission, the mandatory one-time increase in local expenditures is reasonably estimated to exceed \$2,500,000.
- These one-time impacts include costs for destroying certain items, transportation costs for returning other items to federal government surplus, costs for replacement of any prohibited items with other non-military equivalents, and training on any new equipment.
- Based on information obtained from the DOS, fees for LESO participation represent at most \$1,000 in state expenditures annually. Given that five state agencies participate in LESO, the recurring decrease in state expenditures from no longer participating in the LESO program is estimated to be \$5,000.
- Based on information obtained from the POST Commission, the recurring decrease in local expenditures from no longer participating in the LESO program is estimated to be \$106,000.
- Based on information from the Department of the Military, the department will incur a reduction in federal funding of \$60,000 per year because the department will no longer require federal asset sharing funds from the U.S. Department of the Treasury and the U.S. Department of Justice in order to maintain equipment and supplies for such equipment that will be prohibited by the bill.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

/maf