

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 177 - HB 179

March 21, 2015

SUMMARY OF BILL: Increases the fines for failure to use safety belts from \$10.00 for a first violation, and \$20.00 for second and subsequent violations, to fines of \$25.00 for a first violation, and \$50.00 for second or subsequent violations; designates additional revenue generated as a result of the bill to the state General Fund for general use.

ESTIMATED FISCAL IMPACT:

On March 9, 2015, a fiscal note was issued estimating the fiscal impact as:

Increase State Revenue - \$713,500/FY15-16

Increase State Revenue - \$1,426,900/FY16-17 and Subsequent Years

Increase Local Revenue - \$37,600/FY15-16

Increase Local Revenue - \$75,100/FY16-17 and Subsequent Years

The fiscal impact is being corrected to specify that the current fee revenue designated for the Division of Vocational Rehabilitation is not impacted by the provisions of the bill. The estimated fiscal impact is as follows:

(CORRECTED)

Increase State Revenue - \$713,500/FY15-16

Increase State Revenue - \$1,426,900/FY16-17 and Subsequent Years

Increase Local Revenue - \$37,600/FY15-16

Increase Local Revenue - \$75,100/FY16-17 and Subsequent Years

Other Fiscal Impact – Currently, fine revenue collected for failure to use a safety belt is submitted to the General Fund and designated for the exclusive use of the Division of Vocational Rehabilitation. The provisions of the bill do not in any way affect the current fee revenue designated for the exclusive use of the Division of Vocational Rehabilitation. Revenue and expenditures of the Division of Vocational Rehabilitation will not change as a result of the bill.

Assumptions:

- The following revenue projection is based upon the Department of Safety's (DOS) estimated annual violations.

SB 177 - HB 179 (CORRECTED)

	ANNUAL	CURRENT	CURRENT	PROPOSED	PROPOSED	REVENUE
VIOLATION TYPE	VIOLATIONS	FEE	REVENUE	FEE	REVENUE	INCREASE
FIRST TIME OFFENSE (18 and over)	52,245	\$10	\$522,450	\$25	\$1,306,125	\$783,675
REPEAT OFFENSES (18 and over)	21,769	\$20	\$435,380	\$50	\$1,088,450	\$653,070
16 & 17 YEAR OLDS FIRST OFFENSE	8,707	\$20	\$174,140	\$25	\$217,675	\$43,535
16 & 17 YEAR OLDS REPEAT OFFENSES	4,354	\$20	\$87,080	\$25	\$108,850	\$21,770
			\$1,219,050		\$2,721,100	\$1,502,050

- Pursuant to Tenn. Code Ann. § 8-21-401(a), the court of jurisdiction retains five percent of any fine revenue collected as commission. The recurring increase in revenue to local government is estimated to be \$75,103 (\$1,502,050 x 5.0%).
- The recurring increase in state revenues to the General Fund is estimated to be \$1,426,947 (\$1,502,050 - \$75,103), beginning in FY16-17.
- Due to a January 1, 2016 effective date, the impacts for FY15-16 are estimated to be 50 percent of the first full-year impact estimated for FY16-17.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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