

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 207 - HB 240**

March 11, 2015

**SUMMARY OF BILL:** Exempts any individual who has a valid handgun carry permit issued or renewed within the past five years from undergoing a criminal history record check prior to purchasing a firearm from a gun dealer.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue –**

- \$249,600 in FY 2015-16/TBI**
- \$499,200 in FY 2016-17/TBI**
- \$748,880 in FY 2017-18/TBI**
- \$998,400 in FY 2018-19/TBI**
- \$1,248,000 in FY 2019-20 and thereafter/TBI**

**Increase State Expenditures - \$120,000/One-Time/DOS**

Assumptions:

- Effective date of July 1, 2015.
- Handgun carry permits issued by the Department of Safety (DOS) do not currently provide the date of issuance on the physical permit.
- Beginning July 1, 2015, DOS will begin to issue new permits that visibly provide the issuance date on the permit.
- Based on a quote provided by a vendor, the Department of Safety will incur a one-time cost of \$120,000 to update computer systems to add the issuance date to handgun carry permits.
- Handgun carry permits have five-year cycles. Upon the effective date of this legislation, there will be a significant number of permit holders with valid permits, which do not provide visible evidence of an issuance date on the physical permit. This legislation does not address this particular issue.
- History background checks are currently a required prerequisite to purchasing a firearm. A history background check is \$10 and is conducted by the Tennessee Bureau of Investigation (TBI).
- Based on information provided by TBI, this will, on average, affect approximately 30 percent (0.30) of all background checks annually or 128,400 transactions per year (428,000 x 0.30), resulting in a recurring decrease in state revenue of \$1,284,000 (128,400 x \$10).
- This decrease in revenue will not be fully realized by TBI until approximately five years after the effective date of this legislation, or until all current permit holders, as of June

30, 2015, have been issued a new permit which visibly provides the permit issuance date.

- Though the five cycle for transitioning all handgun permit owners to a new dated permit card will not occur evenly, applying an even transition cycle (i.e. one-fifth each year) is the only reasonable basis for estimating the revenue impact of this bill.

**CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

/jdb