

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 812 - HB 960

January 11, 2016

SUMMARY OF BILL: Authorizes a judge presiding over divorce or legal separation proceedings to divide marital property based on marital fault.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$74,400/One-Time
Exceeds \$887,000/Recurring**

Assumptions:

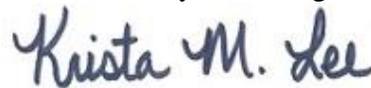
- Under current law, a judge presiding over divorce or legal separation proceedings, including at-fault divorces, may, upon request of either party, equitably divide, distribute, or assign the marital property without regard to marital fault.
- The bill would authorize the court to equitably divide the marital property without regard to marital fault, if requested by either party, or, in its discretion, to equitably divide the marital property based on marital fault, whether or not a party requests such a division.
- The most recent weighted caseload study by the Comptroller of the Treasury (<http://www.comptroller.tn.gov/Repository/RE/2015%20Weighted%20Caseload.pdf>) shows that there were 12,014 divorce cases involving children in FY13-14 and 16,172 divorce cases not involving children in FY13-14.
- Research by the Administrative Office of the Courts (AOC) indicates that approximately four percent of divorce cases proceed to trial.
- It is assumed that 1,127 cases proceeded to trial in FY13-14 $[(12,014 + 16,172) \times 0.04]$.
- The weighted caseload study assigns a weight of 106 minutes to divorces with children and 40 minutes to divorces without children. Divorce cases in Tennessee require approximately 1,920,364 minutes of weight each year $[(12,014 \text{ cases} \times 106 \text{ minutes}) + (16,172 \text{ cases} \times 40 \text{ minutes})]$.
- It is assumed that the bill will increase the number of divorce cases that proceed to trial. This is based on parties being incentivized to proceed to trial because each will seek a larger portion of the marital property based on marital fault of the other party.
- In addition, the time spent by a judge in these cases will exceed the time spent on current cases where assets are equitably divided because the nature of these cases are likely to be more contentious and marital fault will need to be proven and/or defended.

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- Fiscal Review does not have sufficient data to reasonably estimate the additional number of cases that will proceed to trial or the additional weight required for those cases beyond the average weight per case. However, it is assumed that the additional number of trials and the additional time required for these cases is sufficient to require no less than one additional judge per grand division for a total of at least three additional judges statewide.
- According to the AOC, each judge would require an assistant.
- According to the AOC, a judge's salary is \$165,676. The salary and benefits for a judge are \$219,640.96 [$\$165,676$ salary + $(\$165,676 \times 0.2287)$ benefits + $(\$118,500 \times 0.062)$ social security + $(\$165,676 \times 0.0145)$ Medicare + $\$6,325.56$ insurance]. The total for three judges will exceed \$658,922.88 ($\$219,640.96 \times 3$).
- According to the AOC, the judge position will require additional recurring costs of \$25,800 ($\$3,600$ travel + $\$10,800$ rent + $\$2,400$ utilities + $\$2,400$ communications + $\$600$ printing + $\$3,000$ books/online services + $\$3,000$ supplies) and one-time costs totaling \$23,000 ($\$15,000$ furniture/equipment + $\$8,000$ books/online services). The total for three judges will exceed \$77,400 recurring ($\$25,800 \times 3$ judges) and \$69,000 one-time ($\$23,000 \times 3$ judges).
- According to the AOC, the salary for an assistant is \$34,800. The salary and benefits for an assistant are \$49,018.20 [$\$34,800$ + $(\$34,800 \times .1503)$ benefits + $(\$34,800 \times .0765)$ FICA + $\$6,325.56$ insurance]. The total for three assistants will exceed \$147,054.60 ($\$49,018.20 \times 3$ assistants).
- According to the AOC, the assistant will require recurring costs for travel totaling \$1,200 and one-time costs for furniture/equipment totaling \$1,800. The total for three assistants will exceed \$3,600 recurring ($\$1,200 \times 3$ assistants) and \$5,400 one-time ($\$1,800 \times 3$ assistants).
- The increase in one-time state expenditures will exceed \$74,400 ($\$69,000 + \$5,400$).
- The increase in recurring state expenditures will exceed \$886,977.48 [$(\$658,922.88 + \$77,400 + \$147,054.60 + \$3,600)$].

CERTIFICATION:

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



Krista M. Lee, Executive Director

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