

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2599 - HB 2661

March 3, 2018

**SUMMARY OF BILL:** Authorizes the Department of Safety (DOS) to issue a driver license, free of charge, to full-time students at postsecondary institutions who are non-residents and have established residency in Tennessee, if certain documentation is presented and certain requirements are met.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue – Exceeds \$312,300/Department of Safety**

**Forgone State Revenue – Exceeds \$312,300/Department of Safety**

**Increase State Expenditures – Exceeds \$22,200/Department of Safety**

Assumptions:

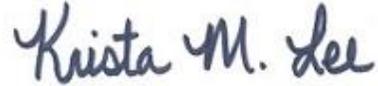
- Based on information in the *2016 Higher Education Fact Book*, there were 223,055 students enrolled at a public institution of higher education that were out of state residents.
- It is reasonably assumed that at least 10 percent of out-of-state students would elect to receive a Tennessee driver license and meet the requirements to receive a Tennessee driver license free of charge.
- A minimum 22,306 (223,055 out of state students x 10%) students will receive a Tennessee driver license free of charge annually as a result of the proposed legislation.
- It is further assumed that 50 percent of these students (or at least 11,153) would have received a license under current law and paid the necessary fees to the DOS.
- Based on information provided by DOS, the current driver license fee is \$28.
- The recurring decrease in state revenue to the DOS is estimated to exceed \$312,284 (11,153 minimum students x \$28 fee).
- The remaining 50 percent (the other 11,153) will receive a license under the provisions of this legislation, but would not under current law. As a result, there will be forgone state revenue and increased state expenditures associated with this cohort of out-of-state students.
- The recurring forgone state revenue to the DOS is estimated to exceed \$312,284 (11,153 minimum students x \$28 fee).
- Based on the information provided by the DOS, the cost to print a card is \$1.99.

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- The recurring increase in state expenditures to the DOS to print additional cards under the provisions of this legislation that would not be printed under current law is estimated to exceed \$22,194 (11,153 minimum students x \$1.99).

**CERTIFICATION:**

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp