

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 681 - HB 825

March 26, 2019

**SUMMARY OF ORIGINAL BILL:** Enhances the penalty for theft of a firearm with a value less than \$10,000 to a Class D felony.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$11,619,200 Incarceration\*

Decrease Local Expenditures – \$288,000

**SUMMARY OF AMENDMENTS (005248, 006613):** Amendment 005248 deletes and replaces Section 1 of the bill such to remove the enhancement of a penalty for a theft of a firearm with a value less than \$10,000 to a Class D felony, and replaces it with the enhancement of a penalty for theft of a firearm with a value less than \$2,500 to a Class E felony.

Amendment 006613 deletes and replaces the amended language such that the only substantive change is to specify that the theft of firearms valued at \$2,500 or more, rather than over than \$2,500, are required to be graded pursuant to Tenn. Code Ann. § 39-14-105(a)(3)-(6).

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – \$7,629,500 Incarceration\*

Decrease Local Expenditures – \$288,000

Assumptions for the bill as amended:

- This analysis assumes the average price of a firearm is less than \$1,000; therefore, theft of a firearm is a Class A misdemeanor.
- Pursuant to Tenn. Code Ann. § 39-14-105(a)(2), theft of property valued between \$1,000 and \$2,500 is a Class E felony; therefore, thefts of firearms that fall into this range of value are considered Class E felonies under current law.
- This analysis assumes individuals convicted of a Class A misdemeanor for theft of a firearm are spending an average of 15 days in local jail.
- The average cost to local governments to house an inmate in a local jail facility is \$64 per day.

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- Based on information provided by the Tennessee Bureau of Investigation, 10,876 firearms were reported stolen in calendar year 2017 of which 1,383 were reported recovered.
- This analysis estimates 25 percent, or 346 (1,383 x 25%), of recoveries resulted in a Class A misdemeanor conviction. Therefore, it is reasonable to estimate that 300 individuals per year will be convicted of theft of a firearm.
- Enhancing theft of firearm offenses to a Class E felony will result in a recurring mandatory decrease in local expenditures estimated to be \$288,000 (300 admissions x 15 days x \$64).
- The proposed legislation will result in 300 theft of firearm Class E felony admissions every year.
- The average time served for a Class E felony is 1.28 years.
- Based on population data from the U.S. Census Bureau, population growth in Tennessee averaged 0.81 percent per year for each of the past 10 years (from 2008 to 2018), yielding a projected compound population growth rate of 8.37 percent. Assuming Tennessee's population continues growing by the same rates over the next 10-year period, population growth will account for 25 (300 x .0837) additional admissions for a total of 325 (300 + 25).
- According to the DOC, 31.4 percent of offenders will re-offend within one year of their release. A recidivism discount of 31.4 percent has been applied to this estimate to account for the impact of offenders who would re-offend under current law within the additional time added by this legislation. It is assumed that the re-offender would have committed the subsequent offense at the same felony level as under current law (325 offenders x 31.4% = 102 offenders).
- According to the DOC, the average operating cost per offender per day for calendar year 2019 is \$73.18.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on 223 (325 offenders – 102 recidivism discount) offenders admitted every year serving 1.28 years (467.52 days) for an annualized increase in state incarceration expenditures of \$7,629,524 (\$73.18 x 467.52 x 223).

\*Tennessee Code Annotated, Section 9-4-210, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

## **CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

/amj