

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 6 – SB 85**

January 30, 2019

**SUMMARY OF BILL:** Requires local courts to offer a person whose license has been suspended, the opportunity to submit proof of the person's financial inability to pay fines, taxes, and court costs. Removes authorization from Department of Safety (DOS) to suspend, restrict, or revoke driver licenses upon proof of inability to pay such fines, taxes, and court costs. Requires DOS to waive the driver license fee for any person whose license was restricted, suspended or revoked prior to January 1, 2020, and may be reinstated as a result of this legislation. The proposed legislation has an effective date of January 1, 2020.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue –**

**Exceeds \$305,100/FY19-20/Department of Safety  
Exceeds \$610,100/FY20-21 and Subsequent Years/  
Department of Safety**

**Increase State Expenditures – \$100,000/FY19-20/Department of Safety**

**Decrease Local Revenue –**

**Exceeds \$5,000/FY19-20/Department of Safety  
Exceeds \$10,000/FY20-21 and Subsequent Years/  
Department of Safety**

**Assumptions:**

- According to DOS, there are currently 589,576 outstanding suspensions for failure to pay citations and 89,196 outstanding revocations for failure to satisfy criminal offenses.
- Based on the information provided by DOS, there is an average of \$2,510,258 collected from reinstatement fees annually from drivers whose license was originally suspended, restricted or revoked for unpaid citations or fines.
- It is reasonably assumed at least 20 percent of these drivers would no longer have their driver license suspended or revoked and would no longer pay reinstatement fees in order to obtain a driver license as a result of the proposed legislation.
- The recurring decrease in state revenue to DOS from lost reinstatement fees is estimated to exceed \$502,052 (\$2,510,258 x minimum 20%).
- In addition to reinstatement fees, DOS charges \$28 for a new driver license.

- According to the DOS, an average of 19,297 drivers reinstate their licenses annually. It is assumed that at least 20 percent of these, or a minimum of 3,859 drivers, will not need to reinstate their driver's licenses each year as a result of the proposed legislation.
- The recurring decrease in state revenue to DOS from reduced license fees is estimated to exceed \$108,052 (minimum 3,859 drivers x \$28 fee).
- The total recurring decrease in state revenue to DOS is estimated to exceed \$610,104 (\$502,052 + \$108,052).
- Due to the proposed effective date of January 1, 2020, a half-year impact will occur in FY19-20. Therefore, the decrease in state revenue to DOS in FY19-20 is estimated to exceed \$305,052 (\$610,104 x 50%).
- The recurring decrease in state revenue to DOS beginning in FY20-21 is estimated to exceed \$610,104.
- There will be a one-time increase in state expenditures to DOS estimated to be \$100,000 in FY19-20 for costs associated with a third-party vendor to update the driver license system for implementation of the proposed legislation.
- The current cost for DOS to print an identification card is \$1.99.
- There will be a decrease in state expenditures associated with printing costs for drivers who otherwise would have had their license revoked and later reissued under current law; but under the provisions of the proposed legislation, these expenses will not occur for this cohort of drivers because they will no longer lose their license and require the reissuance of the second license.
- The recurring decrease in state expenditures is estimated to be \$7,679 (3,859 drivers x \$1.99).
- This recurring decrease in state expenditures will be offset by drivers whose license is revoked, who would not have otherwise obtained a new license at any point in the future under current law, that will be able to obtain a new license under the provisions of this legislation. The number of such possible instances is unknown. However, any relative increase in state expenditures to issue these individuals new licenses is assumed to be sufficient for offsetting the decrease in state expenditures estimated to be \$7,679 associated with the cohort of drivers that will retain their licenses under the proposed legislation.
- The net impact to state expenditures related to card issuance costs is estimated to be not significant.
- Allowing certain persons the opportunity to submit proof of financial inability to pay fines, taxes, and court costs, and thus removing the possible consequence of a suspended, restricted, or revoked driver's licenses will incentivize some drivers to avoid paying fines, taxes, and court costs.
- The precise recurring decrease in local government revenue cannot be determined, but is reasonably estimated to exceed \$10,000 statewide.
- Due to the proposed effective date of January 1, 2020, a half-year impact will occur in FY19-20. Therefore, the decrease in local government revenue in FY19-20 is estimated to exceed \$5,000 (\$10,000 x 50%).
- The recurring decrease in local government revenue beginning in FY20-21 is estimated to exceed \$10,000.

**CERTIFICATION:**

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/jmg