

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 839 - SB 1143**

March 8, 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 of traffic citations. Authorizes such persons to request to enter into a payment plan with the court clerk and may be issued a restricted driver license until the licensee fully pays the money owed or it is waived by the courts. Authorizes the person, if deemed indigent by the court, to be issued a restricted driver license until the licensee fully pays the money owed or it is waived by the courts.

Deletes the provision that a default on a payment plan suspends the restricted license.

Authorizes persons whose driver license was suspended prior to July 1, 2019, for unpaid traffic citations due to financial inability to pay, to petition the court to enter into a payment plan and be issued a restricted driver license.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Net Impact –**

**Exceeds \$402,700/FY19-20/Department of Safety**

**Exceeds \$7,600/FY20-21 and Subsequent Years/Department of Safety**

**Increase State Expenditures –**

**Exceeds \$14,200/FY19-20/Department of Safety**

**Exceeds \$2,400/FY20-21 and Subsequent Years/Department of Safety**

Assumptions:

- Pursuant to Tenn. Code Ann., § 55-50-502(j), any person whose license has been suspended for having been convicted of a driving offense, and for the subsequent failure to pay a fine or cost imposed for that offense, may apply to the court for the issuance of a restricted license. The court shall order the person whose license has been suspended to make payments to the court during the period of restricted license, as a condition of receiving the restricted license, in an amount reasonably calculated to fully pay the moneys owing the court during the period of the restricted license.

Failure to timely make the payments as ordered by the court shall result in the suspension of the restricted license.

- The Department of Safety (DOS) offers a restricted driver license for unsatisfied traffic citations; therefore, no additional changes will need to be made to the Department's systems.
- While the Department does not currently capture within its internal system whether or not a traffic citation is on a payment plan or satisfied in full when the driver presents documentation for reinstatement, it is estimated that approximately 6,120 drivers reinstate their license annually using a court payment plan.
- The cost of a restricted driver license is \$67.
- Estimating that 20 percent, or 1,224, of those drivers that reinstate their licenses annually would qualify for a restricted driver license under the provisions of this legislation, will result in a recurring increase in restricted license revenue to DOS estimated to exceed \$82,008 ( $\$67 \times 1,224$ ).
- If drivers obtain a restricted license while on a court payment plan and are not re-suspended for default on the payment plan, DOS will no longer process defaults on these drivers and no longer assess a reinstatement fee for future defaults.
- The average total of reinstatement fees paid for default on court payment plans for traffic citations in 2017 and 2018 was \$74,360 [ $(\$58,635 \text{ in } 2017 + \$90,085 \text{ in } 2018) / 2$ ]. Under the provisions of this legislation, there would be a decrease in recurring state revenue from reinstatement after defaults on court payment plans estimated to exceed \$74,360.
- The net recurring increase in state revenue to DOS is estimated to exceed \$7,648 ( $\$82,008 - \$74,360$ ) in FY20-21 and subsequent years.
- According to DOS, there are currently 589,576 outstanding suspensions for failure to pay citations.
- Under the provisions of this legislation, those people that have outstanding suspensions prior to July 1, 2019, may petition the court to enter into a payment plan and be issued a restricted driver license.
- It is estimated that at least one percent, or a minimum of 5,896, will enter into payment plans and qualify to receive restricted driver licenses in the first year after enactment. The increase in state revenue in FY19-20 related to such persons is estimated to exceed \$395,032 ( $5,896 \times \$67$ ).
- The total increase in state revenue to DOS for FY19-20 is estimated to exceed \$402,680 ( $\$395,032 + \$7,648$ ).
- It costs \$1.99 to print a license.
- The increase in state expenditures to DOS is estimated to exceed \$2,436 ( $\$1.99 \times 1,224$ ) in FY20-21 and subsequent years.
- The increase in state expenditures to DOS to print restricted driver licenses is estimated to exceed \$14,169 in FY19-20 [ $(\$1.99 \times 5,896) + (\$1.99 \times 1,224)$ ].
- The provisions of this legislation may alter the timing of revenue collected for unpaid citations, the impact of which cannot be reasonably determined.
- Local court clerks are currently accustomed to initiating payment plans for individuals to pay fines and court costs; therefore, it is estimated the provisions of the

bill can be accomplished within existing resources, and there will be no significant impact to state and local revenue with respect to fines and court costs.

**CERTIFICATION:**

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

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

Krista Lee Carsner, Executive Director

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