

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1673 - SB 2762

March 5, 2020

**SUMMARY OF BILL:** Requires, by January 1, 2022, all emergency communications districts (ECDs) to utilize the direct dispatch method in response to emergency calls.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures –**

**Exceeds \$250,000/FY20-21\***

**Exceeds \$1,250,000/FY21-22\***

**Exceeds \$1,000,000/FY22-23 and Subsequent Years\***

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-86-103 there are three methods of relaying emergency calls to the proper emergency service unit. They are as follows:
  - The direct dispatch method (DDM), once an emergency call is received, provides for the dispatch of appropriate emergency service units and a decision as to the proper action to be taken;
  - The relay method, once an emergency call is received, notes the pertinent information of the caller and relays the information to the right agency for dispatch of an emergency unit; and
  - The transfer method, once an emergency call is received, directly transfers the call to the appropriate public safety agency or provider of emergency services.
- According to the Department of Commerce and Insurance:
  - There are 100 ECDs statewide;
  - Approximately 20 utilize a method other than DDM; and
  - Most ECDs do have the capability to do some direct dispatching of emergency calls.
- According to the Tennessee Emergency Number Association, ECDs not currently utilizing DDM as the primary form of dispatch will require some new infrastructure, employees, employee training, as well as continued software and hardware updates.
- While the precise one-time mandatory increase in local expenditures for infrastructure will vary from ECD to ECD, it is reasonably estimated to exceed \$500,000 statewide.
- The precise timing of implementation is unknown, but it is reasonably assumed that half, or \$250,000 (\$500,000 x 50.0%), of expenditures associated with infrastructure will occur in FY20-21 with the remaining half, or \$250,000 occurring in FY21-22.

- Recurring mandatory increases in local expenditures associated with additional employees, employee training, and updates to new software and hardware are estimated to exceed \$1,000,000 statewide, annually.
- The total mandatory increase in local expenditures is estimated to exceed \$250,000 in FY20-21.
- The total mandatory increase in local expenditures is estimated to exceed \$1,250,000 (\$1,000,000 + \$250,000) in FY21-22.
- The recurring mandatory increase in local expenditures is estimated to exceed \$1,000,000 in FY22-23 and subsequent years.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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