

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2103 - SB 2289

May 8, 2020

SUMMARY OF BILL: Increases the application fee for a concealed handgun carry permit (CHCP) from \$65 to \$75. Extends the validity of the permit from eight years to the lifetime of the permit holder beginning January 1, 2021.

ESTIMATED FISCAL IMPACT:

Increase State Revenue -

\$78,300/FY20-21/Handgun Permit Division
\$156,500/FY21-22 and Subsequent Years/Handgun Permit Division

Increase State Expenditures - \$200,000/FY20-21/Handgun Permit Division

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-17-1366(j)(1), prior to the expiration of a CHCP, a permit holder may apply to the Department of Safety (DOS) for the renewal of the permit by submitting, under oath, a renewal application. The renewal application must be on a standard form developed by DOS.
- Current law does not necessitate a renewal fee for a CHCP. Therefore, there will be no loss of revenue as a result of CHCP holders not needing to renew under this legislation.
- CHCP first began being issued on January 1, 2020. A total of 5,217 permits were issued in the month of January.
- It can be reasonably assumed that this figure is exponentially greater than the imminent months' averages will be.
- Estimating that this will level out to an average of one-quarter of January's figures, each month, 15,651 [(5,217 x 25%) x 12 months] new CHCPs will be issued annually.
- The first full fiscal year impact will be an increase in state revenue to the Handgun Permit Division (HPD) of \$156,510 [(\$75 - \$65 x 15,651] beginning FY21-22 and subsequent years.
- Given the effective date, there will be a half-year impact in FY20-21 of \$78,255 (\$156,510 x 50%).
- Based on information provided by DOS and confirmed by third-party contract vendors responsible for the handgun carry permit systems, the one-time increase in state expenditures for a systems modification to reflect the changes to the CHCP is estimated to be \$200,000 in FY20-21.

- This legislation requires DOS to perform a name-based criminal history record check every five years after the issuance of the CHCP. This check is executed by DOS at no cost.

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

/jmg