

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 37

February 4, 2019

SUMMARY OF BILL: Repeals requirements that authorization to engage in regulated professions and occupations are to be revoked for persons who default on student loans. This legislation applies specifically to lobbyists, attorneys, athlete agents, teachers, and any licensee under any division, board, commission, committee, agency, or other governmental entity under the Department of Commerce and Insurance (DCI) or the Department of Health (DOH).

Removes the authority of the Tennessee Student Assistance Corporation (TSAC) to make determinations of delinquency or default on student loans and to report to the Supreme Court or appropriate licensing authority, for lawyers licensed by the Supreme Court, or any person licensed by any other profession, trade, occupation or business licensed by an agency in Tennessee. Furthermore, removes TSAC's authority to hold hearings on such delinquencies or defaults.

Authorizes TSAC to enter into partnerships with local government entities and nonprofit organizations for the purpose of providing financial counseling to any lawyer who is licensed by the Tennessee Supreme Court, or any other person who is licensed in any other profession, trade, occupation, business, or industry by any agency in this state, and who is delinquent or in default on any service obligation or repayment under the Federal Family Education Loan Program, the Federal Higher Education Act of 1965, as amended, a student loan guaranteed or administered by TSAC, or any other state or federal education loan or service-conditional scholarship program.

Requires that the appropriate licensing agency unsuspend, issue, or reinstate the license of a person who, prior to the effective date of this act, was suspended, denied, or revoked based solely upon such person being in default for repayment of student loans.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This legislation will eliminate instances in which the license of an attorney, teacher, athlete agent, or person licensed under a division, board, commission, committee, agency, or other governmental entity under the DCI or the DOH, is suspended, denied, or revoked for delinquency or default on a student loan.
- According to the DCI, there were approximately 283 instances in 2017 in which a person licensed under a DCI program was suspended, denied, or revoked due to delinquency or default on a student loan.
- According to the DCI, a majority of the 283 individuals reinstate their license, and although the DCI does have the authority to charge a \$10 reinstatement fee, it is not currently levied; therefore, this legislation is estimated to have no significant impact on the DCI or any of its programs.
- Based on information provided by the DOH, it is unknown how many instances per year a person licensed under a DOH program was suspended, denied, or revoked due to delinquency or default on a student loan.
- Based on information provided by the DOH, no reinstatement fee is collected from persons who seek reinstatement after having a license suspended, denied, or revoked due to delinquency or default on a student loan; therefore, this legislation is estimated to have no significant impact on DOH or any of its programs.
- According to TSAC, since the inception of the program, no hearings on delinquency or default have been held; therefore, removing the authority to hold any such hearing will have no significant fiscal impact on the TSAC. Additionally, TSAC no longer holds a federal student loan portfolio and, therefore, no longer issues notices of default to licensing entities.
- Due to the fact that TSAC no longer holds a federal student loan portfolio and no longer issues notices of default to licensing entities, TSAC will not enter into local partnerships to provide financial counseling to the various professions impacted by this legislation.
- Based on information provided by the Administrative Office of the Courts (AOC), no reinstatement fees are collected by licensed attorneys who seek reinstatement after having a license suspended, denied, or revoked due to delinquency or default on a student loan; therefore, this legislation is estimated to have no significant impact on the AOC or the Board of Law Examiners.
- According to information provided by the Tennessee Bureau of Ethics and Campaign Finance (BECF), it has never received any notification detailing any registered lobbyist who has become delinquent or defaulted on a student loan.
- The Secretary of State's Office licenses athlete agents. It is assumed that any number of delinquencies or defaults experienced by athlete agents has had no significant impact on such licensing program.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- This legislation is estimated to have no significant impact on any attorney, teacher, athlete agent, or person licensed under a division, board, commission, committee, agency, or other governmental entity under the DCI or the DOH; therefore, no significant impact on commerce or jobs in Tennessee.
- It is assumed that any such professional whose license has been suspended, denied, or revoked due to delinquency or default on a student loan, would take all required steps to get their license reinstated under current law. As a result, any increase in business activity, and associated business revenue and expenditures, as a result of this legislation will be not significant.

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

/jdb