

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 65 - HB 388

March 26, 2019

SUMMARY OF BILL: Authorizes Shelby County, by use of their own funds, to establish an independent center for driver license reinstatement. Requires the center be approved the county commission and the Commissioner of the Department of Safety (DOS). Authorizes DOS to oversee the implementation of the center to assure statewide consistency. Requires DOS to review the center's license reinstatement procedures at least once every three years. Requires the implementation of the center to be in a manner as to assure compliance with current code and rules promulgated. Requires the center to cease to operate on July 1, 2022.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures –

Exceeds \$5,000/Each FY19-20 through FY21-22/Department of Safety

Increase Local Expenditures –

Exceeds \$141,400/FY19-20/Permissive

Exceeds \$111,400/Each FY20-21 and FY21-22/Permissive

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-50-331(a), DOS is authorized to contract for the provision of any service related to the issuance, examination and renewal of driver licenses subject to applicable contracting statutes and regulations. The Shelby County Clerk's Offices are one of those contracting entities.
- According to information provided by DOS, 22,419 of the 211,625, or 10.6 percent, of the driver license renewals and replacements within Shelby County were performed at Shelby County Clerk's Offices in 2018.
- Under this legislation, it can be reasonably estimated that at least 10 percent of Shelby County driver license reinstatements will occur within the proposed independent center.
- In 2018, DOS provided 25,224 driver license reinstatements in Shelby County; therefore, it can be estimated that the proposed independent center would provide at least 2,522 driver license transactions (25,224 x 10%).
- It currently costs \$1.99 to print a driver license.
- The permissive increase in local expenditures each year FY19-20 through FY21-22 is estimated to exceed \$5,019 (\$1.99 x 2,522) for printing costs.

- The Department would see an equal decrease in expenditures, as the independent center would incur the cost of printing an estimated 10 percent of driver license reinstatements in Shelby County.
- The decrease in state expenditures to DOS associated with printing cost is estimated to exceed \$5,019 each year FY19-20 through FY21-22.
- It is assumed the DOS would not be able to reduce expenditures at other driver license stations; therefore, any other decrease in expenditures to the DOS is estimated to be not significant.
- Any increase in work to DOS to effectuate the provisions of this legislation can be accomplished with existing resources and personnel.
- According to information provided by DOS and verified by a third-party vendor, the capture workstation necessary to issue a driver license reinstatement costs approximately \$15,000 each.
- Given the low number of transactions estimated to be performed by the independent center, it can be reasonably estimated that only two capture workstations would be necessary. The permissive one-time increase in local expenditures is estimated to exceed \$30,000 (\$15,000 x 2).
- It is estimated that Shelby County will utilize existing infrastructure for the location of the independent center; therefore, it is estimated there will be no permissive increase in local expenditures relating to a facility.
- It is estimated that a minimum of three employees will need to be hired by Shelby County to run the independent center.
- The minimum annual salary for a state-employed driver license examiner is \$24,780 with \$10,679 in benefits. It is estimated those employed at the independent center will receive similar compensation. Therefore, each year between FY19-20 and FY21-22, there will be a permissive increase in local expenditures estimated to exceed \$106,377 [(\$24,780 + \$10,679 x 3)].
- The total permissive increase in local expenditures in FY19-20 is estimated to exceed \$141,396 (\$5,019 + \$30,000 + \$106,377).
- The total permissive increase in local expenditures in each FY20-21 and FY21-22 is estimated to exceed \$111,396 (\$5,019 + \$106,377).
- Any change in fee revenue related to driver license issuance is assumed to remain unchanged.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/jmg