

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 361 - HB 1030**

March 26, 2019

**SUMMARY OF BILL:** Removes the cap on the size of the grant the Department of Finance and Administration (F&A), Office of Criminal Justice Programs (OCJP), is authorized to make annually from the Victim Notification Fund (VNF) to the Tennessee Sheriff's Association (TSA) for the purpose of supporting implementation and management of the victim notification system. Increases the litigation tax from \$3.00 to \$5.00 and requires the total \$5.00 be deposited in the VNF.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$548,300/Victim Notification Fund**

**Other Fiscal Impact – Possible increases in annual grant funding from the Office of Criminal Justice Program to the Tennessee Sheriff's Association. Due to multiple unknown factors, any such increase cannot be quantified with reasonable certainty. The Victim Notification Fund from which such grants are made had a cumulative balance of \$1,008,400 as of June 30, 2018.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 40-38-505, OCJP is authorized to make an annual grant from the VNF to the TSA for the purpose of supporting implementation and management of the victim notification system not to exceed \$650,000.
- Pursuant to Tenn. Code Ann. § 67-4-602(h)(6), money in the VNF may only be expended through annual appropriations approved by the General Assembly and in accordance with the annual grant from OCJP to TSA.
- Removing the cap on the annual grant could result in additional funding to the TSA in the annual general appropriations legislation; however, an exact amount cannot be reasonably quantified.
- The following table shows grant amounts from OCJP to TSA since FY15-16:

Fiscal Year	Grant Amount
FY15-16	\$ 600,000
FY16-17	\$ 600,000
FY17-18	\$ 600,000
FY18-19	\$ 640,530
FY19-20	\$ 650,000

- The unexpended balance for the VNF was \$145,250 in FY17-18 and \$151,576 in FY18-19. The current cumulative balance as of June 30, 2018 was \$1,008,439.
- Further, the proposed legislation corrects an inconsistency in Tenn. Code Ann. § 67-4-602(h)(2)(B) that requires proceeds from the privilege tax to be deposited into the VNF. Pursuant to Tenn. Code Ann. § 67-4-602(h)(1) this is the current practice. The change will not result in any additional privilege taxes on litigation being deposited into the VNF.
- The Department of Revenue collected \$822,395 in FY18-19 from the \$3.00 litigation tax. It is estimated 274,132 (\$822,395 / \$3.00 fee) cases paid the litigation tax.
- Assuming similar collections in FY19-20 and subsequent years under current law, the increase in state revenue under the provisions of this legislation is estimated to be \$548,263 (274,132 x \$2.00 increase).

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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