

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 656 - HB 1186**

March 19, 2019

**SUMMARY OF BILL:** Revises the penalties for theft of property.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures – \$533,200 Incarceration\***

**Increase Local Expenditures – \$8,600\*\***

Assumptions:

- Public Chapter 906 of 2016, known as the Public Safety Act, revised the grading of theft as follows, effective January 1, 2017:
  - Class A misdemeanor: \$1,000 or less
  - Class E felony: \$1,001 - \$2,499
  - Class D felony: \$2,500- \$9,999
  - Class C felony: \$10,000 - \$59,999
  - Class B felony: \$60,000 - \$249,999
  - Class A felony : \$250,000 or more
- The proposed legislation will revise the grading of theft as follows:
  - Class A misdemeanor: \$2,000 or less
  - Class E felony: \$2,001 - \$4,999
  - Class D felony: \$5,000 - \$12,499
  - Class C felony: \$12,500- \$59,999
  - Class B felony: \$60,000 - \$249,999
  - Class A felony : \$250,000 or more
- Due to the passage of the Public Safety Act, only admissions for FY17-18 are used in this analysis to estimate an impact resulting from revising the grading of theft.
- Any impact resulting from the proposed legislation on theft of services is estimated to be not significant.
- Based on information provided by the Department of Correction (DOC), there were 85 Class E felony theft offense admissions in FY17-18.
- The proposed legislation will lead to a 10 percent decrease in state admissions, or 9 (85 x 10%) admissions per year.

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- According to the DOC, the average operating cost per offender per day for calendar year 2019 is \$73.18.
- The average time served for Class E felony theft was 0.45 years (164.36 days).
- The proposed legislation will result in a recurring decrease in state incarceration expenditures estimated to be \$108,251 (9 admissions x 164.36 days x \$73.18).
- Some individuals previously admitted for Class E felony theft will now be convicted of Class A misdemeanor theft.
- This analysis assumes individuals convicted of a Class A misdemeanor for theft will spend an average of 15 days in local jail.
- The average cost to local governments to house an inmate in a local jail facility is \$64 per day.
- The proposed legislation will result in a recurring mandatory increase in local expenditures estimated to be \$8,640 [9 admissions x 15 days x \$64].
- Based on information provided by DOC, there were 80 Class D admissions in FY17-18.
- The proposed legislation will lead to 10 percent, or 8 (80 x 10%), of current Class D felony admissions being diminished to a Class E felony conviction.
- The average time served for a Class D felony is 0.57 years. The average time served for Class E felony theft was 0.45 years. The proposed legislation will result in each admission serving 0.12 (.57 - .45) fewer years (43.83 days).
- The proposed legislation will result in a recurring decrease in state incarceration expenditures estimated to be \$25,660 (8 admissions x 43.83 days x \$73.18).
- Based on information provided by DOC, there were 327 Class C admissions in FY17-18.
- The proposed legislation will lead to one percent, or 3 (327 x 1%), of current Class C felony admissions being diminished to a Class D felony conviction.
- The average time served for a Class C felony is 5.55 years. The average time served for Class D felony theft was 0.57 years. The proposed legislation will result in each admission serving 4.98 (5.55 - 0.57) fewer years (1,818.95 days).
- The proposed legislation will result in a recurring decrease in state incarceration expenditures estimated to be \$399,332 (3 admissions x 1,818.95 days x \$73.18).
- The total recurring decrease in state incarceration expenditures resulting from the proposed legislation is estimated to be \$533,243 (\$108,251 + \$25,660 + \$399,332).

\*Tennessee Code Annotated, Section 9-4-210, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 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.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/amj