

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1984

May 5, 2020

SUMMARY OF BILL: Requires an applicant for a renewal of a concealed handgun carry permit (CHCP) to pay a \$50 fee. Waives the CHCP application fee of for former federal, state, or local law enforcement officers who served at least 10 years prior to leaving the law enforcement agency.

Authorizes the Commissioner of the Department of Safety (DOS) to determine whether completion of a firearms training or safety course or class demonstrates actual competence with a handgun for issuance of a CHCP. Requires a course or class contain certain additional requirements and standards.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$772,300/FY27-28 and Subsequent Years/Handgun Permit Division

Decrease State Revenue –

\$10,200/FY20-21 through FY26-27/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 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.
- 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.
- A CHCP does not expire for eight years; therefore, the first permits issued will expire January 1, 2028. However, pursuant to Tenn. Code Ann. § 39-17-1366(j)(2), a person may renew a CHCP beginning six months prior to the expiration date on the face of the permit. The first renewal applications and fees, per this legislation, will begin being remitted on and after July 1, 2027.

- This legislation is not expected to significantly impact total number of CHCP renewals; therefore, it will not significantly impact state expenditures.
- The recurring increase in state revenue to the Handgun Permit Division (HPD) is \$782,550 (15,651 x \$50) in FY27-28 and subsequent years.
- The North Carolina Criminal Justice Analysis Center conducted a 2016 survey that concluded law enforcement agencies had an approximant 14 percent attrition rate.
- According to the most recent Census of State and Local Law Enforcement Agencies by the U.S. Bureau of Justice Statistics, there are roughly 15,976 sworn state or local law enforcement officers in Tennessee (13,691 local officers + 2,285 state officers).
- It is estimated that at least 2,237 (15,976 x 14%) persons sever employment from law enforcement agencies each year.
- According to information provided by the Tennessee Sheriffs Association, an average of 35 percent of law enforcement officers are active for 10 or more years.
- Under the provisions of this legislation, it can be estimated that at least 783 (2,237 x 35%) persons will be eligible to obtain a CHCP at no charge each year.
- It is estimated that at least 20 percent, or 157, of those eligible will apply and be issued a CHCP permit each year under this legislation, who would have otherwise obtained a permit and paid the required fee.
- It is estimated that this legislation will result in a recurring decrease in revenue to the HPD exceeding \$10,205 (\$65 x 157) in FY20-21 through FY26-27.
- The net increase in state revenue to the HPD in FY27-28 and subsequent years is \$772,345 (\$782,550 - \$10,205).
- Authorizing the DOS Commissioner to have the discretion to determine whether completion of a firearms training or safety course or class demonstrates actual competence with a handgun for issuance of a CHCP will not have a significant impact on state expenditures.
- Requiring a course or class to contain certain additional requirements and standards to qualify under these provisions will have no impact on state or local government. Any increase in expenditures will be borne by the private individual companies.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/jmg