

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2107

February 5, 2020

SUMMARY OF BILL: Authorizes Smith County, upon adoption of a resolution by a two-thirds majority vote of its legislative body, to assess a privilege tax on litigation in court cases in an amount not to exceed \$50. Earmarks revenue collected from such tax to be used for the construction and maintenance of a jail and courthouse.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue –

\$48,500/FY20-21 and Subsequent Years/Smith County/Permissive

Assumptions:

- The impact of this legislation is dependent upon the number of civil and criminal cases in Smith County and the dollar amount of the litigation tax adopted.
- According to the Administrative Office of the Courts' *2018-2019 Annual Statistical Report*, there were 970 civil and criminal cases filed in the Smith County Circuit, Chancery, and Criminal courts in FY18-19. This number is assumed to remain constant in subsequent years.
- Given the revenue from any such litigation tax will be earmarked for construction or maintenance of a local jail and courthouse if adopted, it is assumed the maximum allowable privilege tax of \$50 would be levied against all applicable cases.
- The permissive increase in local revenue to Smith County is estimated to be \$48,500 (970 cases x \$50 tax) in FY20-21 and subsequent years.
- Any permissive increase in local government expenditures for counties that adopt a resolution to assess the privilege tax is estimated to 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".

Krista Lee Carsner, Executive Director

/jmg