

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1472 - HB 1461

February 8, 2018

SUMMARY OF BILL: Creates a class E felony for knowingly purchasing, using, possessing, or attempting to purchase, use, or possess a trigger crank, bump stock, bump-fire device, or any other device that is designed or functions to accelerate the rate of fire of a semiautomatic rifle, but does not actually convert such rifle to a machine gun (bump stocks).

Creates a class E felony for intentionally or knowingly possessing, manufacturing, transporting, repairing, or selling a semiautomatic rifle that is equipped, altered, or modified to include any bump stock.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$300

Increase State Expenditures – \$85,000 Incarceration*

Decrease Local Revenue – Exceeds \$100

Assumptions relative to sales tax collections:

- A bump stock is a device that utilizes the recoil of a firearm to increase the rate of fire.
- Bump stocks have recently seen a spike in sales. Danielle Wiener-Bronner, *Bump stocks are selling briskly since Vegas attack, some sellers say*, CNNMoney, <http://money.cnn.com/2017/10/05/smallbusiness/bump-fire-stocks/index.html> (last visited Feb.7, 2018).
- Passage of the proposed legislation will decrease bump stock sales in Tennessee.
- Slide Fire, the largest manufacturer of bump stocks, has five Tennessee dealers selling Slide Fire bump stocks. There may be additional dealers selling bump stocks in Tennessee as well.
- The proposed legislation is reasonably estimated to reduce bump stock sales in the state by at least 25 units per year.
- The average bump stock retails for approximately \$150.
- The current sales tax rate is 7.0 percent; the average local option sales tax rate is approximately 2.5 percent; and the effective rate of apportionment to local government pursuant to the state-shared allocation is 3.617 percent.

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- The recurring decrease in state sales tax revenue is estimated to exceed \$253 [(25 x \$150 x 7.0%) – (25 x \$150 x 7.0% x 3.617%)].
- The recurring decrease in local sales tax revenue is estimated to exceed \$103 [(25 x \$150 x 2.5%) + (25 x \$150 x 7.0% x 3.617%)].

Assumptions relative to incarceration:

- The proposed legislation creates a new offense for purchasing, using, or possessing a bump stock. Due to the increase in bump stock sales and the numerous online instructions for building homemade bump stocks, it is assumed that the proposed legislation will result in two admissions per year.
- Population growth and recidivism will not impact these admissions.
- The average time served for a class E felony is 1.31 years.
- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2018 is \$71.08.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on two offenders serving 1.31 years (478.48 days) at a cost of \$34,010 (\$71.08 x 478.48 days) per offender. The total cost for two offenders is \$68,020 (\$34,010 x 2).
- The proposed legislation creates a class E felony for possessing, manufacturing, transporting, repairing, or selling a semiautomatic rifle that is equipped, altered, or modified to include any bump stock. The new offense is added to Tenn. Code Ann. § 39-17-1302 which prohibits a person from possessing, manufacturing, transporting, repairing, or selling various prohibited weapons.
- Statistics from the DOC show an average of four admissions per year over the last 10 years. It is assumed that the proposed legislation will result in one admission every two years.
- Population growth and recidivism will not impact these admissions.
- The average time served for a class E felony is 1.31 years.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender every two years serving 1.31 years (478.48 days) for an annualized cost of \$17,005 [(\$71.08 x 478.48 days) / 2].
- The proposed legislation will increase state incarceration costs by \$85,025 (\$68,020 + \$17,005).
- The proposed legislation will only create five new felony cases every two years. The courts, public defenders, and district attorneys can accommodate the marginal increase in their caseloads within their existing resources.

**Tennessee Code Annotated § 9-4-210 requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

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

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm