

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1779 - SB 1829**

February 3, 2018

**SUMMARY OF BILL:** Enacts the “Tennessee Stolen Valor Act”, making it a crime to fraudulently represent a person in a branch of the armed services for the purpose of obtaining property, money, or service they would not otherwise be entitled to receive.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$100/Department of Veterans Services**

**Increase State Expenditures – \$3,400 Incarceration\***

Assumptions:

- The proposed legislation creates a new offense for fraudulently representing a person in a branch of the armed services for the purpose of obtaining property, money, or service they would not otherwise be entitled to receive. The new offense will be punished the same as theft pursuant to Tenn. Code Ann. § 39-14-105.
- Tennessee Code Annotated § 39-14-105 grades theft from a Class A misdemeanor for theft less than \$1,000 to a Class A felony for theft of \$250,000 or more.
- The average offender will fraudulently obtain property, money, or services valued at \$1,000. The proposed legislation will result in one person every 10 years being admitted for a Class E felony.
- Population growth and recidivism discount will not impact these admissions.
- According to the Department of Correction (DOC), the average time served for a Class E felony is 1.31 years.
- According to the 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 one offender every 10 years serving 1.31 years (478.48 days) for an annualized cost of \$3,401 [(\$71.08 x 478.48 days) / 10].
- The proposed legislation establishes a fine of not less than \$500 up to the maximum fine allowable for the offense classification. A person convicted of a Class E felony may be punished by a fine up to \$3,000.
- The average fine imposed under the proposed legislation is estimated to be \$1,000. One person every 10 years will be convicted and fined \$1,000. The annualized increase in state revenue is estimated to be \$100 (\$1,000/10).

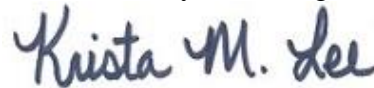
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- Pursuant to the provisions of the legislation, the fines collected are required to be transmitted to the Department of Veterans Affairs. This fiscal note assumes the receiving entity will be the Department of Veterans Services, rather than the Department of Veterans Affairs. Such funds will be deposited into a fund maintained by the department for the purpose of issuing grants to counties establishing or operating a veteran's treatment court. The proposed legislation will not significantly impact the Department of Veterans Services operations.
- Due to the low number of convictions the legislation would result in, it is assumed that the courts, district attorneys, and public defenders can accommodate any impact to their caseloads within 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.



Krista M. Lee, Executive Director

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