

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1602 - SB 1955**

February 12, 2018

**SUMMARY OF BILL:** Authorizes certain persons to file to seek enforcement, declaratory or injunctive relief, and damages against a local government entity or state agency, after July 1, 2018, for (1) refusing to make certain properties available to entities sponsoring events that may involve firearms, (2) enacting or enforcing certain regulations regarding the ownership, construction, or operation of privately-owned or operated gun or sport shooting ranges, or (3) enacting or enforcing certain regulations which prohibit, restrict, or infringe upon a party's rights provided under the Tennessee Constitution, United States Constitution, or any state law relative to firearms, ammunition, or arms.

Increases requirements placed on local government which must be met in order to prohibit or restrict the possession of a handgun by a handgun carry permit holder on local government owned property and removes current exemptions provided to certain entities.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$100,000/One-Time**

**Increase Local Expenditures – Exceeds \$250,000/One-Time/Permissive  
Exceeds \$250,000/Recurring/Permissive**

**Other Fiscal Impact – Passage of this bill could put the Departments of Education and Children's Services out of compliance with federal regulations. The amount and timing of federal funding that could be jeopardized is unknown. Annual federal funding for both departments totals approximately \$1,290,492,000.**

*Assumptions related to damages awarded:*

- Parties would bring suit against local governments and state agencies in the event of any direct or indirect act or omission which denied access to certain properties to entities sponsoring events that may involve firearms or if certain regulations were enacted or enforced.
- If the plaintiff against the local government or state agency prevails in the suit, the local government or state agency would be liable for payment of all court costs, reasonable attorney's fees, as well as the greater of either actual damages or three times the plaintiff's attorney's fees.

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- Due to multiple unknown variables, such as how many local governments will deny access to certain properties or enact or enforce certain regulations, how many impacted parties will bring suit as plaintiffs against state agencies or local governments, how many plaintiffs will prevail in such suits, the extent of any relief awarded to the prevailing plaintiff, a precise increase in state and local expenditures cannot be determined but is reasonably estimated to exceed \$100,000 per suit.
- At least one suit is assumed to be brought against a state agency; therefore, the one-time increase in state government expenditures for damages is estimated to exceed \$100,000.
- Local government entities are not required to deny access to properties or to enact or enforce certain regulations; therefore any increase in local government expenditures is considered permissive.
- Local government entities will be deterred from denying access to certain properties or enacting regulations once one local government entity is sued; therefore the permissive one-time increase to local government expenditures is estimated to exceed \$100,000.

*Assumptions relative to requirements for restriction of handguns:*

- Pursuant to Tenn. Code Ann. § 39-17-1359(g), local governments and permittees thereof are prohibited from restricting the possession of a handgun by a handgun carry permit holder unless metal detectors, at least one law enforcement or private security officer, and a bag inspection station are installed at every public entrance to the property.
- The proposed language would require any private security officers to be armed, the installation of secure storage facilities to be used by handgun carry permit holders free of charge, and prohibit the property from being subject to any other specific state or federal statute regulating or prohibiting the possession of firearms on the property.
- To the extent applicable local government entities elect to purchase secure storage facilities, the permissive one-time increase in local expenditures is reasonably estimated to exceed \$100,000 statewide.
- The provisions of this legislation are not expected to significantly impact handgun carry permit applications or revenue.

*Assumptions relative to exemptions:*

- Pursuant to Tenn. Code Ann. § 39-17-1359 (g)(2), the following facilities are authorized to prohibit or restrict firearms: facilities licensed under titles 33, 37, or 68; rooms where judicial proceedings have or will occur; school property; public parks under certain circumstances contained in Tenn. Code Ann. § 39-17-1311(b)(1)(H)(ii); law enforcement agencies as defined pursuant to Tenn. Code Ann. § 39-13-519; libraries; and facilities licensed by the Department of Human Services which administer a Head Start program.
- The proposed language removes authorization of such entities to prohibit or restrict firearms and exempts such entities only from providing metal detectors at public entrances; however to the extent any such entity's property would be subject to specific state or federal statutes regulating or prohibiting the possession of firearms on the property, they will ultimately be unable to restrict firearms by following the measures prescribed in the proposed language.

- Based on information provided by the Department of Children’s Services (DCS), the presence of firearms could jeopardize the plan for establishing and maintaining standards for foster homes and child care institutions and could subject the state to the loss of federal Title IV funds. DCS reports that the Department receives approximately \$153,674,900 in Title IV funding.
- The Department of Education (DOE) reports that provisions of the legislation could put the state out of compliance with federal guidelines regarding guns on school campuses resulting in the loss of certain federal funding.
- The precise amount of federal funding jeopardized would be dependent on federal ruling and cannot reasonably be determined; however the Governor’s recommended budget document, on page B-105, identifies \$1,136,817,100 in federal funding for DOE.
- To the extent previously-exempted local government entities who are able to restrict or prohibit handguns under current law elect to employ armed security guards, conduct bag checks, and provide secure storage facilities to be used by handgun carry permit holders free of charge as a direct result of this legislation, the permissive one-time increase in local expenditures for purchase of secure storage facilities is estimated to exceed \$50,000 statewide, and the permissive recurring increase in local expenditures for employing armed security guards is reasonably estimated to exceed \$250,000 statewide.

*Total Local Impact Assumption:*

- The total permissive one-time increase in local expenditures is estimated to exceed \$250,000 (\$100,000 damages per suit + \$150,000 purchase of secure storage facilities).
- The total permissive recurring increase in local expenditures is estimated to exceed \$250,000.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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