

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 1131 (Delegate Franchot. *et al.*)

Judiciary

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**Regulated Firearms License**

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This bill requires the Secretary of the Department of State Police to issue licenses with a picture of the applicant to purchasers, renters, and transferors of regulated firearms whose applications are not disapproved. The bill delineates the form and contents of such a license. The Secretary is also required to adopt regulations to carry out these provisions, including a requirement for a safety course.

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**Fiscal Summary**

**State Effect:** General fund expenditures would increase by \$405,100 in FY 2001 due to costs associated with firearm transaction licenses. Out-years reflect annualization, inflation, and equipment replacement costs in FY 2005. General fund revenues could increase, but only if the regulatory process would provide for a partial or full cost recovery fee for such licenses that could attach to each licensee and transaction.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	-	-	-	-	-
GF Expenditures	\$405,100	\$372,300	\$386,100	\$406,200	\$523,900
Net Effect	(\$405,100)	(\$372,300)	(\$386,100)	(\$406,200)	(\$523,900)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal. Although it is unknown whether this bill could or would lead to license fees, it is assumed that any such fee would be set at a level so as to be affordable to individuals as well as to businesses.

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**Analysis**

**Current Law:** None applicable.

**State Fiscal Effect:** The average annual number of applications to transfer and purchase regulated firearms is 30,225. It is assumed that this bill would generate the need for one license for each transaction application not disapproved. The State Police would need to purchase equipment that could handle the content and form requirements in the bill for licenses. It is assumed that equipment similar to that which is used by the Motor Vehicle Administration (a “Fargo System” unit) for drivers’ licenses would meet these needs.

It is also assumed that this equipment and a person to operate it would be necessary at various locations around the State. The State Police proposes to have three such stations on the Eastern Shore, two in Western Maryland, one in Central Maryland, two in Southern Maryland, and one in Northern Maryland, for a total of nine stations, each with a Fargo unit (@ a purchase cost of \$9,728 each).

General fund expenditures for the State Police could increase by an estimated \$405,067 in fiscal 2001, which accounts for the bill’s October 1, 2000, effective date. This estimate reflects the cost of hiring nine data device operators and one office secretary to administer and operate the licensing program. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes equipment replacement costs (\$98,541) for the Fargo units in fiscal 2005.

Salaries and Fringe Benefits	\$237,211
Nine Fargo Units	87,552
Operating Expenses	<u>80,304</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$405,067</b>

Future year expenditures reflect (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

The State Police reports that the bill’s requirement for a safety course to be included in regulations would be handled by allowing recognition of identified existing safety courses (such as is offered by the National Rifle Association) rather than by designing a new State operated course. Accordingly, this requirement could be accommodated with existing budgeted resources.

**State Revenues:** Any potential revenue from fees is unknown. It is unclear whether the bill intends such a cost recovery mechanism to be included in the regulatory authority over this program granted to the Secretary. If either a partial or full cost recovery fee were to be

implemented, State revenues would increase by the amount of the fees actually collected. At this time, such a fee structure is unknown and any potential revenue from the collection of such fees cannot be reliably estimated. The State Police does not assume that such a fee would be in place or created.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of State Police, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2000  
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