

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 477
Judiciary

(Delegate McComas, *et al.*)

Public Safety - Handgun Permits - Term

This bill specifies that, unless a handgun permit is renewed for a three-year period, an initial permit may be allowed to expire on a date set by the Secretary of State Police, rather than only on the last day of the permit holder's birth month, two years after the date the permit was issued.

Fiscal Summary

State Effect: The bill allows for the alignment of the terms for handgun permits with the terms of certain occupational licenses issued by the Department of State Police (DSP). *Under one set of assumptions*, general fund revenues from handgun permit renewal fees decrease by \$51,450 in FY 2018 due to the change in the term of the initial permit. If the bill's authority is used, it is assumed that operational efficiencies accrue to DSP.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, with certain exceptions, to be issued a permit to carry a handgun by the Secretary of State Police, an applicant (1) must be 18 or older; (2) must not have been convicted of a felony or misdemeanor for which a sentence of imprisonment for more than one year has been imposed or, if convicted, must have been pardoned or been granted relief under federal law; (3) if the person is younger than 30, must not have been committed to a facility for juveniles for longer than one year or adjudicated delinquent for a crime of violence, a felony, or misdemeanor that carries a statutory penalty of more than two years;

(4) must not have been convicted of a controlled dangerous substance violation and must not presently be an addict, a habitual user of a controlled dangerous substance, or an alcoholic; (5) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to the applicant or another; and (6) must have a good and substantial reason to wear, carry, or transport a handgun. “Good and substantial reason” includes a finding that the permit is necessary as a reasonable precaution against apprehended danger. The Secretary may limit the geographic area; circumstances; or times of day, week, month, or year in which a permit is effective.

A handgun permit application costs \$75; two years after the initial permit and every three years thereafter, a \$50 renewal fee is due. In addition, the applicant must pay for fingerprint-based federal and State criminal history background checks for initial applications and renewals. A permit expires on the last day of the holder’s birth month following two years after the date the permit is issued. A permit may be renewed for successive periods of three years each if, at the time of an application for renewal, the applicant possesses the qualifications for the issuance of a permit and pays the renewal fee.

Chapter 427 of 2013 (the Firearm Safety Act of 2013) requires a handgun permit applicant to successfully complete prior to the application and each renewal, a firearms training course approved by the Secretary that includes (1) for an initial application, a minimum of 16 hours of instruction by a qualified handgun instructor, or 8 hours of instruction for a renewal application; (2) classroom instruction on State firearm law, home firearm safety, and handgun mechanisms and operation; and (3) a firearms qualification component that demonstrates the applicant’s proficiency and use of the firearm.

Background: This bill is intended to allow the Secretary of State Police to align the terms of initial handgun permits issued to licensed private detectives and licensed security guards with the terms of their occupational licenses.

Under the Maryland Private Detectives Act, the Secretary of State Police is responsible for the licensing of private detective agencies and the certification of individuals who provide private detective services in the State. Agency license terms are staggered. Agency license renewals may occur every two years, at a cost of \$200 if the applicant is an individual, and \$400 if the applicant is a firm.

The Secretary of State Police is also responsible for the licensing of security guard agencies and the certification of individual security guards. Agency license terms are staggered. Agency license renewals may occur every three years, at a cost of \$200 if the applicant is an individual, and \$400 if the applicant is a firm.

In 2014, DSP processed 4,483 new applications for security guard certification and renewed the certifications of 3,139 guards. DSP denied certification to 195 unqualified

applicants. DSP also issued 466 new private investigator licenses and renewed another 189. Eleven applications were denied a license because the applicant lacked required qualifications.

DSP issued 40 new security guard agency licenses and 36 private detective agency licenses in 2014. An additional 39 and 108 licenses were renewed, respectively. Fifty-two new dual licenses were issued in 2014, with another 56 dual licenses being renewed. Five agencies were denied licensure.

State Revenues: The bill gives the Secretary the authority to modify the initial term of a handgun permit to be greater than (or less than) the current two-year term set in statute. However, it does not give the Secretary the authority to make a corresponding increase (or decrease) in the fee for an initial handgun permit. Thus, to the extent the initial term for a handgun permit is changed, general fund fee revenues are affected. Even so, the fiscal impact cannot be accurately determined without knowing how any such realignment is undertaken.

For illustrative purposes, this analysis assumes the Secretary exercises the authority to make the initial term the same as the renewal term (three years), if not for all permit holders, then at least for individuals certified as security guards and possibly for individuals licensed as private detective agencies. According to DSP, in 2014, 1,000 security guards and 29 private detectives applied for an initial handgun permit. Assuming that these numbers are relatively constant each year, the impact of the bill is delayed receipt of \$51,450 in renewal permit fees by one year: \$50,000 for security guards (1,000 security guards x \$50 renewal fee) and \$1,450 for private detectives (29 private detectives x \$50 renewal fee).

Thus, to the extent the Secretary exercises this authority, general fund revenues decrease due to permit holders having an extra year in their initial term without any concurrent increase in that initial permit fee. Instead, they pay the same renewal fee as would currently be due, just one year later.

Over a five-year period, this revenue loss is only reflected once. For example, if this change were to be implemented in fiscal 2016, there would not be an impact until fiscal 2018 because revenues would be collected as they normally are for initial permits in fiscal 2016 and 2017. In fiscal 2018, however, when renewal permits would otherwise be due, such fee revenue would not be collected for those who initially received their handgun permits in fiscal 2016. These individuals would pay for their renewal permits in fiscal 2019 instead; the revenue increase in that year would fully offset the revenue loss from individuals who received their initial permits in fiscal 2017 but would be renewing in fiscal 2020 under realignment.

Additional Information: The bill also may allow an initial handgun permit applicant to submit to fingerprint-based criminal history checks only once every three years instead of each time one of the two permits is renewed. In 2014, the total number of initial and renewal handgun permits applied for by security guards and private investigators was 2,291 (2,198 security guards and 93 private investigators).

Senate Bill 328/House Bill 479 of 2015 propose to extend the term of a private detective license from two to three years.

Additional Information

Prior Introductions: None.

Cross File: SB 326 (Senator Klausmeier, *et al.*) - Judicial Proceedings.

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

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