

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 176

(Senator Brochin, *et al.*)

Judicial Proceedings

**Public Safety - Firearms - License Fees**

This bill reduces the maximum application fee for a Handgun Qualification License (HQL) from \$50 to \$20 and reduces the maximum renewal fee for an HQL from \$20 to \$10.

**Fiscal Summary**

**State Effect:** General fund revenues decrease by an estimated \$461,300 in FY 2017 due to the reduction in the application fee. Future year estimates are annualized and reflect a 2% growth in the number of HQL applications submitted. State expenditures are not affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
GF Revenue	(\$461,300)	(\$627,400)	(\$639,900)	(\$652,700)	(\$665,800)
Expenditure	0	0	0	0	0
Net Effect	(\$461,300)	(\$627,400)	(\$639,900)	(\$652,700)	(\$665,800)

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** Chapter 427 of 2013 (the Firearm Safety Act of 2013) created a new licensing scheme for handguns under the licensing authority of the Department of State Police (DSP). An HQL authorizes a person to purchase, rent, or receive a handgun. A licensed firearms manufacturer, a specified active or retired law enforcement officer, a member or retired member of the U.S. Armed Forces or the National Guard, and a person

purchasing, renting, or receiving an antique, curio, or relic firearm (as defined under federal law) are exempt from the requirements of the licensing provisions.

The Secretary of State Police must apply for a State and national criminal history records check for each applicant. As part of the application for a criminal history records check, the Secretary must submit one complete set of fingerprints of the applicant.

The application fee for an HQL is to cover administrative costs and may be up to \$50. (DSP has set the fee at \$50.) The term of the license is 10 years. License renewal fees are set at up to \$20. (DSP has set the renewal fee at \$20.) Generally, the Secretary of State Police must issue an HQL to a person who (1) is at least 21 years old; (2) is a State resident; (3) has completed a firearms safety training course; and (4) is not prohibited by federal or State law from purchasing or possessing a handgun.

The firearms safety training course must include (1) a minimum of four hours of instruction by a qualified handgun instructor; (2) classroom instruction on State firearm law, home firearm safety, and handgun mechanisms and operation; and (3) a firearms orientation that demonstrates that the person can safely operate and handle a firearm. An applicant is not required to complete an approved firearms safety training course if the applicant has previously completed a certified firearms training course, has completed a hunting safety course prescribed by the Department of Natural Resources, is currently a qualified handgun instructor, is an honorably discharged member of the U.S. Armed Forces or the National Guard, is a certain employee of an armored car company, or lawfully owns a regulated firearm. Renewal applicants are not required to complete the firearms safety training course or submit to a State and national criminal history records check.

The Secretary may issue an HQL without an additional application or fee to a person who meets the requirements for the issuance of a handgun permit who does not already have an HQL.

**State Revenues:** General fund revenues decrease by an estimated \$461,295 in fiscal 2017, escalating to \$665,760 by fiscal 2021, due to the reduction in the HQL application fee from \$50 to \$20. The estimate is based on actual licensing data from calendar 2015 and assumes that 20,502 individuals apply for an HQL in fiscal 2017 and would have paid the \$50 application fee; the revenue loss in fiscal 2017 reflects the bill's October 1, 2016 effective date. Future year estimates are annualized and reflect a 2% growth in the number of applicants each year.

Because the term of the license is 10 years, general fund revenues further decrease beginning in fiscal 2024 from the reduction in the renewal fee from \$20 to \$10.

## **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 8, 2016  
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Analysis by: Shirleen M. E. Pilgrim

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510