

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 506

(Senator Hough, *et al.*)

Judicial Proceedings

Judiciary

Firearms - Handgun Permit - Preliminary Approval

This bill authorizes a person to apply for preliminary approval of a permit to wear, carry, or transport a handgun without completing a specified firearms training course, subject to specified requirements.

Fiscal Summary

State Effect: General fund revenues from handgun permit fees increase by \$112,500 in FY 2021. Future year revenues reflect the licensure issuance and renewal cycle as well as a decrease in new permit applications and renewals over time. General fund expenditures increase by \$287,000 in FY 2021. Future year expenditures reflect annualization.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
GF Revenue	\$112,500	\$95,600	\$116,300	\$99,100	\$83,700
GF Expenditure	\$287,000	\$120,200	\$122,900	\$127,100	\$131,500
Net Effect	(\$174,500)	(\$24,500)	(\$6,600)	(\$28,000)	(\$47,800)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: On application for preliminary approval of a permit, the Secretary of State Police must conduct an investigation to determine if the applicant meets the other statutory requirements for the permit. The Secretary must issue preliminary approval of a permit if, after the investigation, the Secretary finds that, except for the certified firearms training course, the applicant meets the requirements for the permit. Within 120 days after receipt of preliminary approval of a permit, the applicant must provide the Secretary with proof of completion of a certified firearms training course. If the Secretary does not receive such proof, the Secretary must revoke the preliminary approval and deny the application.

Nothing in the bill may be construed to authorize the issuance of a permit without completion of a certified firearms training course.

Current Law: Generally, an applicant for a handgun permit must, among other requirements, successfully complete a firearms training course approved by the Secretary of State Police. Current law requirements and background relating to the issuance of handgun permits is summarized in the **Appendix – Handgun Permit Requirements – Current Law/Background**.

State Revenues: The Department of Legislative Services (DLS) estimates that this bill increases new handgun permit applications submitted to the Department of State Police (DSP) by about 1,500 in fiscal 2021. This assumes that without the requirement for an applicant to pay for and complete a firearms training course approved by the Secretary *before* submission of the handgun permit application, applications increase by approximately 15%, in addition to the annual increase of approximately 15% that is anticipated to occur under current law.

Assuming an increase of about 1,500 permit applications in fiscal 2021 due to the bill, general fund revenues from handgun permit fees increase by an estimated \$112,500 in fiscal 2021. By fiscal 2025, the increase in general fund revenues from initial applications and renewals decreases to \$83,725; this estimate assumes that the number of new applications decreases by 15% annually and that less than half of the applications that are approved are renewed over time. **Exhibit 1** shows the estimated increase in general fund revenues from additional handgun permit fees through fiscal 2025.

Exhibit 1
Estimated Handgun Permit under the Bill

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
New applications	1,500	1,275	1,084	921	783
Fee Revenue	\$112,500	\$95,625	\$81,300	\$69,075	\$58,725
Renewals	—	—	700	600	500
Fee Revenue	—	—	\$35,000	\$30,000	\$25,000
Total Revenue	\$112,500	\$95,625	\$116,300	\$99,075	\$83,725

Source: Department of Legislative Services

State Expenditures: General fund expenditures increase by \$286,975 in fiscal 2021, which accounts for the bill’s October 1, 2020 effective date. This estimate reflects the cost of hiring one full-time trooper and one office services clerk to process the additional handgun permit applications anticipated as a result of the bill and to review and issue renewal permits. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. In addition, it includes one-time computer programming costs; DSP advises that the automated process for handgun permit applications needs to be reprogrammed as a result of the bill.

Positions	2
Salaries and Fringe Benefits	\$92,242
Motor Vehicle Purchases	24,000
Computer Programming	160,000
Other Operating Expenses	<u>10,733</u>
Total FY 2021 State Expenditures	\$286,975

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

This estimate does not include any costs for additional law enforcement equipment and automobile replacement costs.

DSP’s licensing division has utilized significant overtime in recent years to process handgun permit applications. In the first half of fiscal 2020, overtime increased by more than 30%. In addition to the personnel and programming costs estimated above, DSP projects considerable trooper and civilian overtime costs in fiscal 2021, as well as the need for three additional regular positions, to handle the increase in applications resulting from the bill. However, DLS believes that such needs are unclear going forward due to the new

automated handgun permit application process. Should overtime or additional personnel costs emerge in the future, DSP can request additional resources through the annual budget process.

Additional Information

Prior Introductions: SB 114 of 2019 passed the Senate and received a hearing in the House Judiciary Committee, but no further action was taken. SB 27 of 2018 passed the Senate with amendments and received a favorable report from the House Judiciary Committee but was recommitted to committee. Its cross file, HB 29, received a favorable report from the House Judiciary Committee but was recommitted to committee. HB 1036 of 2017 passed the Senate with amendments, but no further action was taken.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 17, 2020
mr/lgc Third Reader - March 1, 2020

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Appendix – Handgun Permit Requirements – Current Law/Background

Generally, with certain exceptions, to be issued a handgun permit 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) 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; (4) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to the applicant or another; (5) must have successfully completed, prior to application and each renewal, a specified firearms training course approved by the Secretary; (6) if 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; and (7) 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 applicant must 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.

An applicant for a permit is not required to complete a certified firearms training course if the applicant:

- is a law enforcement officer or a person who is retired in good standing from service with a law enforcement agency of the United States, the State, or any local law enforcement agency in the State;
- is a member, retired member, or honorably discharged member of the U.S. Armed Forces or the National Guard;
- is a qualified handgun instructor; or
- has completed a firearms training course approved by the Secretary.

A handgun permit application costs \$75; two years after the initial permit and every three years thereafter, a \$50 renewal fee is due. The applicant must pay the fee by an electronic check, a credit card, or a method of online payment approved by the Secretary.

In addition, the applicant must pay for fingerprint-based federal and State criminal history background checks for an initial application. A person who applies for a renewal of a handgun permit is not required to be fingerprinted unless the Secretary requires a set of the person's fingerprints to resolve a question of the person's identity.

Generally a handgun permit expires on the last day of the holder's birth month following two years after the date the permit is issued; however, the Secretary may establish an alternative expiration date for a permit to coincide with the expiration of a private detective license, a security guard certification, or a special police officer commission. 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.

In 2019, the Department of State Police (DSP) received 5,283 new applications for handgun permits and 7,945 handgun permit renewal applications. DSP denied 569 applications in the same year. There are currently approximately 26,822 active handgun permits in the State. It generally takes less than two days to receive the results of a national criminal history records check from the Federal Bureau of Investigation and approximately 90 days to process, investigate, and issue a permit.