

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 297 (The Speaker, et al.)(Administration)
Judiciary

Referred to Judicial Proceedings

Maryland Gun Violence Act of 1996

This amended Administration bill extends transfer approval for firearm transfers to transactions not involving a licensed firearms dealer; bans straw purchases of guns; limits purchases to one gun per month; expands exclusions on who may buy or possess regulated firearms; makes it a crime to take a police officer's gun; and expands penalties for use and possession of regulated firearms to include more offenses.

Fiscal Summary

State Effect: General fund revenues could increase by \$660,000 and expenditures could increase by \$203,900 in FY 1997. Revenue and expenditure increases would decline in future years by an indeterminate amount with the decline in transfer applications.

Local Effect: Indeterminate increase in revenues and expenditures.

Small Business Effect: A small business impact statement was not provided by the Administration in time for inclusion in this fiscal note. A revised fiscal note will be issued when the assessment becomes available.

Fiscal Analysis

Bill Summary: The bill contains the following major substantive provisions:

- Extends to transactions between individuals the requirement that a person receiving a firearm must complete a transfer application and is subject to a seven-day waiting period;
- Generally bans the purchase of more than one regulated firearm per month;

- Bans straw purchases of regulated firearms;
- Expands the criteria under which it is illegal to possess a regulated firearm or receive approval for a firearm transfer application;
- Expands the circumstances under which use of a firearm may be considered a separate offense and creates new firearm-related offenses;
- Tightens regulations on a regulated firearms dealers; and
- Permits a court to require a person to surrender firearms in a civil protective order and permits law enforcement officers to seize firearms observed when responding to domestic violence calls.

State Expenditures: In 1995 there were 33,000 applications to purchase handguns in Maryland. Under current law, only a transaction involving a licensed gun dealer is subject to a waiting period and approval by the State Police. This bill extends that requirement to sales between individuals. The State Police estimate that in fiscal 1997 there would be 66,000 additional transactions that would be subject to the approval process, 49,500 in fiscal 1998, and 24,750 in future years. The number increases and then declines because gun sales typically surge when new gun control legislation is enacted.

To accommodate the growth in the number of transactions processed, the State Police estimates 11 positions would be required at a cost of \$178,980 in fiscal 1997. The Department of Fiscal Services advises that many or all of these positions should be contractual. The cost of contractual employees would be \$128,300 in fiscal 1997. While there is likely to be substantial need for additional employees in the first few years as there will be a rush of applicants, that need should taper off in later years. Estimated operating expenses of approximately \$90,000 should also decline in later years. The State Police would also need four fax machines at a one-time cost of \$7,600, plus \$600 annually in operating costs, as the bill permits transfer applications to be submitted by fax machine. Expenditures in fiscal 1997 would total \$203,850.

The bill's various new, increased, and expanded penalty provisions could increase expenditures for the Division of Correction. However the volume of any such increase cannot be reliably determined at this time. On average, it costs \$1,400 per month to keep one inmate in a division facility.

State Revenues: The State Police will collect a \$10 application fee for each transfer application. Assuming an additional 66,000 transfer applications, general fund revenues

could increase by \$660,000 in fiscal 1997. Revenues would be \$495,000 in fiscal 1998 and \$24,750 in future years, accounting for a decline in transfer applications. The bill waives the \$10 firearm transfer application fee for gifts to close family members. This would not affect revenues as these transfers are not currently subject to transfer applications.

Limiting gun purchases to one per month and banning straw purchases of guns could lower general fund sales tax revenue. However, in relation to total sales and use tax revenues, the decrease should not be significant.

Local Effect: To the extent that local law enforcement agencies provide transfer services for people wanting to purchase firearms, revenues and expenditures could increase. Any such effect cannot be reliably estimated at this time.

Information Source(s): Judiciary (Administrative Office of the Courts), Office of Administrative Hearings, Office of the Attorney General, Office of the Public Defender, Department of State Police, Department of Transportation (Motor Vehicle Administration), Department of Public Safety and Correctional Services (Data Services Division, Division of Correction), Department of Fiscal Services

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