

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 399 (Delegate Hixson. *et al.*)

Judiciary

Commercial Law - Handguns - Child Safety Device

This bill requires a firearms dealer to provide a child safety handgun device to the recipient of a sale, lease, or transfer of a handgun. The recipient is required to obtain such a device for any handgun transferred on or after October 1, 1998, even if the handgun was acquired from an out-of-state transferor. The device must be provided at the time of the transfer or, as applicable, before entering the State. A firearms dealer is allowed to charge the recipient for the cost of the device. The bill requires a firearms dealer to post or provide a specified conspicuous notice related to these provisions.

The Attorney General is required to adopt regulations necessary for the implementation of these provisions. A violation of these provisions is an unfair and deceptive trade practice and subject to applicable penalty provisions.

Fiscal Summary

State Effect: Actual enforcement costs will depend upon regulations to be developed by the Office of the Attorney General. However, assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload. Any recovery of costs by the Attorney General resulting from actions brought under the unfair and deceptive trade practices recovery provisions is indeterminate.

Local Effect: None.

Small Business Effect: Indeterminate.

Fiscal Analysis

Background: There are 363 registered gun dealers in the State. In fiscal 1997 there were 30,161 handgun sales in the State.

Small Business Effect: This bill allows gun dealers to charge for the cost of the child safety handgun devices. Although the bill's provisions would add to the general cost of doing business for a gun dealer of any size, it is assumed that dealers would allow themselves a suitable profit margin for each safety device sold.

However, to the extent that the required sale of these safety devices increases the cost of purchasing a handgun, there could be some appreciable loss of sales due to higher costs to the consumer. Accordingly, the actual effect of this bill on such businesses cannot be reliably predicted without any actual experience under these provisions.

Information Source(s): Office of the Attorney General, Department of State Police,
Department of Legislative Services

Fiscal Note History: First Reader - March 11, 1998

Inc

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