

Department of Legislative Services  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

Senate Bill 234 (Senator Ferguson. *et al.*)

Judicial Proceedings

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**Handgun Permits - Course Requirements - Qualified Instructors**

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This bill eliminates the requirements that a person have a “good and substantial reason” for getting a handgun permit and not exhibit “a propensity for violence or instability.” It requires an applicant for a handgun permit to complete a handgun instruction course, and requires that an applicant be at least 21 years old. The bill alters fees for handgun permits by (1) allowing the \$75 initial application fee to be refundable; (2) decreasing, from \$50 to \$35, the fee for a renewal or subsequent application; and (3) extending, from three years to five years, the life of an approved permit renewal.

In addition, the Department of State Police must issue a permit within 45 days and establish a specified certification process for handgun instructors. Restrictions may not be placed on handgun permits.

The bill also increases the membership of the Handgun Permit Review Board in the Department of Public Safety and Correctional Services from five to seven members, and alters the time frames within which the board operates.

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**Fiscal Summary**

**State Effect:** Potential significant increase in general fund revenues and expenditures.

**Local Effect:** None.

**Small Business Effect:** Meaningful effect on those small businesses that provide handgun instruction.

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**Fiscal Analysis**

**Background:** Under current law, a handgun permit application costs \$75; every two years a \$50 renewal is required. There are approximately 25,000 people in Maryland licensed to carry a handgun. In 1998 the State Police issued approximately 1,261 initial handgun permits.

It currently takes a minimum of 60 to 90 days to receive the results of a national criminal history record check from the Federal Bureau of Investigation (FBI).

**State Effect:** Based on information from the Department of State Police, the Department of Legislative Services estimates that it costs \$189 to process a handgun permit application and issue a license. As the fee for a handgun permit is \$75, it costs the State Police an estimated \$114 per application. This includes salaries, fringe benefits, equipment, and administrative costs. Changing the renewal application fee from \$50 to \$35, and extending the life of a renewal permit from three years to five years, will also have a fiscal impact since the current \$50 fee every three years is estimated to cover costs.

The State Police estimate that elimination of the requirements that a person have a “good and substantial reason” for carrying a firearm and not show a “propensity for violence or instability,” and eliminating restrictions on permits, will lead to an increase of about 10,500 applications annually in each of the next five years, even after accounting for a small decrease since people age 18 through 20 will no longer be eligible. At a net cost of \$114 per application, accounting for the bill’s reduction for renewal fees (from \$50 to \$35), and accounting for the October 1 effective date, general fund expenditures could exceed revenues by \$897,750 in fiscal 2000, \$1.2 million in fiscal 2001, and \$1.4 million annually thereafter. The Department of Legislative Services advises that the actual increase would depend upon the actual number of permit applications and cannot be reliably estimated at this time. The number of additional permit applications anticipated by the State Police cannot be verified.

Quantifying the full effect of lost revenue from the reduction in the renewal fee from \$50 to \$35 and the extension of the life of a renewal permit from three years to five years cannot be reliably measured at this time because the State Police have not provided data on the number of current permit holders (25,171) who are up for renewal in any given year. However, any expected revenue from renewal fees due in fiscal 2000 under current provisions is assumed to be postponed for two years due to the extended life of a renewal permit and diminished due to the decrease in the fee.

The State Police believe that this bill would require additional police and civilian staff with additional operating expenses totaling approximately \$300,000 annually to review the additional permit requests, prepare information relating to hearings, and perform the

functions associated with handgun instructor certifications. Legislative Services advises that, absent knowing the actual increase in handgun applications, it is difficult to verify the need for additional staff.

Finally, meeting the bill's standard for issuing permits within 45 days would not be able to be met at the present time because it takes at least 60 days, and usually 90 days, for criminal history record checks to be returned by the FBI.

It is assumed that the bill's changes relating to the Handgun Review Board would cause some logistical changes in the board's operations, but could be accommodated with the existing budgeted resources of the Department of Public Safety and Correctional Services.

**Small Business Effect:** There are an estimated 350 handgun instructors in the State, the majority of which are assumed to be small businesses. The bill requires that the State Police certify and regulate handgun instructors. In order to be issued a certified handgun instructor's permit, an applicant must have had formal training in the care, safety, and use of handguns; have achieved a score of 70% on a fire range test as a practical police course; have taught a course in the care, safety, and use of handguns for at least one year; and be certified as a National Rifle Association handgun instructor. These requirements may restrict new handgun instructors from entering the profession and may increase the cost of doing business.

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**Information Source(s):** Department of State Police, Department of Public Safety and Correctional Services (Handgun Permit Review Board), Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 1999  
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