

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**

Senate Bill 220 (Senator Ferguson, *et al.*)  
 Judicial Proceedings

**Self-Defense Act - Rule of Law**

This bill alters current law provisions relating to handgun permits in Maryland.

**Fiscal Summary**

**State Effect:** General fund revenues would increase due to the issuance of more initial handgun permits, and decrease due to changes in provisions governing permit renewals. Accordingly, general fund revenues would increase by \$58,781 in FY 2002. General fund expenditures would increase by \$147,526 in FY 2002 due to the issuance of more handgun permits. Out-years reflect annualization, inflation, and renewal automobile purchases.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	\$58,781	\$78,375	\$78,375	\$8,375	\$8,375
GF Expenditure	147,526	137,458	144,495	182,364	160,082
Net Effect	(\$88,745)	(\$59,083)	(\$66,120)	(\$173,989)	(\$151,707)

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

**Local Effect:** None.

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

**Analysis**

**Bill Summary:** The 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 provides that applicants for a handgun permit must complete a handgun instruction course and be at least 21 years old. The bill alters fees for handgun permits by: (1) decreasing, from \$50 to \$35, the fee for a renewal or subsequent application; and (2) 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.

**Current Law:** A handgun permit application costs \$75; every three years a \$50 renewal is required. In addition, a variety of criteria and conditions must be met by an applicant, including: (1) being at least 18 years old; (2) passing a State and national criminal history record check; (3) based on the results of investigation, not exhibiting a propensity for violence or instability; and (4) having a “good and substantial reason to wear, carry, or transport a handgun.”

**Background:** There are approximately 30,765 people in Maryland licensed to carry a handgun. The State Police issues an average of 1,400 initial handgun permits annually. 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 Fiscal Effect:** Changing the renewal application fee from \$50 to \$35, and extending the life of a renewal permit from three years to five years, will have a substantial fiscal impact since the current \$50 fee every three years is estimated to cover the costs.

The State Police estimates 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 a 200% increase in annual applications in each of the next five years, even after accounting for a small decrease because people age 18 through 20 will no longer be eligible.

Accordingly, an additional 3,090 initial applications per year are expected to increase revenues by \$231,750 annually. Accounting for the bill’s October 1, 2001 effective date, the revenue increase for fiscal 2002 is expected to be \$173,813.

However, revenues from handgun permit fees will also decrease due to the bill's changes in cost for permit renewals and the lengthened renewal cycle. The State Police estimates that there are about 10,225 annual renewals of permits based on the current three-year renewal cycle. Initially, the bill's \$15 reduction in renewal fees would generate a revenue loss in fiscal 2002, accounting for the bill's effective date, of about \$115,031. For fiscal 2003 and 2004, this amount (annualized) would be \$153,375. Fiscal 2005 and 2006 would initiate annual losses of about \$223,375 due to the bill's extended renewal period. Renewal fee income would not begin to mitigate this loss until fiscal 2007.

The net effect on revenues is a \$58,781 increase in fiscal 2002, becoming an \$8,375 increase in fiscal 2006.

General fund expenditures could increase by an estimated \$147,526 in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate reflects the cost of hiring one State trooper, one civilian data device operator, and one office secretary to process and issue the additional initial handgun permit applications, prepare information relating to hearings, and perform the functions associated with handgun instructor certifications. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$79,741
Other Operating Expenses	<u>67,785</u>
<b>Total FY 2002 State Expenditures</b>	<b>\$147,526</b>

Future year expenditures reflect: (1) full salaries with 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) trooper automobile replacement costs in fiscal 2005.

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 Permit 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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### **Additional Information**

**Prior Introductions:** Similar bills have been introduced during prior sessions. SB 234 of 2000 was never reported from the Senate Judicial Proceedings Committee. In 1999, SB 234 was withdrawn. In 1998, SB 366 was withdrawn.

**Cross File:** None.

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

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