

Department of Legislative Services
 Maryland General Assembly
 2001 Session

FISCAL NOTE

House Bill 806 (Delegate Amedori, *et al.*)
 Judiciary

Self-Defense Act of 2001

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

Fiscal Summary

State Effect: General fund revenues would decrease by about \$131,300 in FY 2002, reflecting net lost revenues for the State Police (\$114,100) and the Department of Public Safety and Correctional Services (\$17,200). Out-year revenue losses reflect annualization. General fund expenditures would increase by \$345,300 in FY 2002. Out-years reflect annualization, inflation, and renewal automobile purchases. The estimates shown here do not fully reflect potential revenue losses or additional costs that would arise from eliminating applicant payment of criminal record check fees.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	(\$131,300)	(\$175,100)	(\$245,100)	(\$132,900)	(\$133,200)
GF Expenditure	345,300	287,500	302,100	410,900	334,300
Net Effect	(\$476,600)	(\$462,600)	(\$547,200)	(\$543,800)	(\$467,500)

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

Local Effect: None.

Small Business Effect: Meaningful. It is assumed that this bill would lead to significantly increased handgun sales in the State.

Analysis

Bill Summary: 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.” However, it prohibits permits for people who have been in-patient psychiatric patients for more than three days or have been convicted of sex crimes, spousal assault, or child abuse. The bill requires an applicant for a handgun permit to complete a handgun instruction course or demonstrate proficiency with a firearm, and requires that an applicant be at least 21 years old. The bill eliminates a requirement that handgun permit applicants pay for “fingerprint card record checks.”

In addition, the Department of State Police is required to issue a permit within 90 days, must approve handgun courses, and may not place restrictions on handgun permits. Fees, fines, and permit durations are also altered so that: (1) the cost of a new application is increased from \$75 to \$80; (2) permit renewal fees are decreased from \$50 to \$25; (3) the permit renewal cycle is increased from three years to four years; the permit duplication fee is increased from \$10 to \$15; and (4) a late fee of \$15 is authorized to be charged. The bill also allows a person with a valid handgun permit from another state to carry a handgun in Maryland.

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 30,000 people in Maryland licensed to carry a handgun. The State Police issues an average of 1,400 initial handgun permits annually. There are about 10,225 annual renewals of permits based on the current three-year renewal cycle. The average number of duplicate permits issued is 60 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: 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 a 200% increase in annual applications 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.

Assuming an additional 3,090 permit applications are received, one-third of existing permits are renewed, 60 duplicate permit applications are processed, and a \$15 late fee is charged on about 1% of all renewal applications, general fund revenues attributable to the State Police would decrease by \$114,114 in fiscal 2002 accounting for the bill's effective date. In fiscal 2003 revenues would decrease by \$152,150, and in fiscal 2004 the decrease would be \$222,150 due to a loss of renewal fees in that year. There would be a decrease of \$109,900 in fiscal 2005 and 2006 which reflects the four-year renewal provision of the bill and the reduced renewal fee.

The total maximum cost of criminal history record checks and fingerprinting is \$52, which includes State and national background checks. Maryland's Criminal Justice Information System (CJIS) Central Repository is authorized by law to collect the \$18 fee established for Maryland Criminal History Record Checks. There is also normally a \$10 fee for fingerprint cards (\$5 for each hand). The Federal Bureau of Investigation charges a fee of \$24 for a national criminal history record check. The CJIS Central Repository must collect the fee from the applicant, or other payer, and reimburse the FBI through that agency's monthly billing.

The bill requires applicants to submit fingerprints, but does not permit the State Police to recover a fee to run a criminal history records check. If the State Police continues to run criminal history record checks on permit applicants, expenditures would increase by \$42 for each license application. Approximately \$26,244 was collected from handgun permit applicants in fiscal 2000 and forwarded to the Information Technology and Communications Division (ITCD) of the Department of Public Safety and Correctional Services (DPSCS) as cost recovery payments for criminal history record checks. While the State Police believe that this feature of the bill eliminates the current requirement for criminal history record checks, it is not entirely clear whether this bill would require the State Police to bear those costs or whether the costs would be eliminated altogether. If the State Police would have to bear the costs of continuing criminal history background checks, expenditures for the State Police would also increase by about \$26,000. ITCD believes that this lost revenue would eventually result in changes in State criminal history record check fees charged to other user-groups so as to continue to effectively subsidize this service via a cost recovery fee structure.

In addition, ITCD reports that various federal agencies submit requests for State criminal record checks and, pursuant to federal law, will only pay an amount for those checks equal to the lowest amount charged by the State. This bill would reduce that lowest amount to \$0, thereby eliminating about \$23,000 in annual income for ITCD. For fiscal 2002 that loss would be about \$17,250. It is also noted that it is unclear under this bill as to which agency would be responsible for the \$24 cost that the FBI charges for national criminal record checks.

The State Police is required to establish an automated list of handgun permit holders and to make the list available to any law enforcement agency. Currently, this database is stored on file cards and other forms of paper. While computer capacities for the State Police are currently being upgraded, this bill would require additional computer programming as well as data entry. While the cost of such a system cannot be reliably estimated at this time, it is assumed to be significant. In addition, the bill requires the State Police to mail a renewal notice to each permit holder at least 90 days before the permit expires.

General fund expenditures could increase by an estimated \$345,330 in fiscal 2002, which accounts for the bill's October 1, 2001, effective date. This estimate reflects the cost of hiring three State troopers, one fiscal clerk, one civilian data device operator, and one clerk typist to process and issue the additional initial handgun permit applications, establish and maintain an automated list of handgun permit holders, prepare information relating to hearings, and perform the functions associated with approving handgun courses. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$176,820
Other Operating Expenses	<u>168,510</u>
Total FY 2002 Administrative Expenditures	\$345,330

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.

Additional Information

Prior Introductions: HB 597, an identical bill, was not reported from the House Judiciary Committee in the 2000 session. A similar bill (HB 736) was introduced during the 1999 session and received an unfavorable report from the House Judiciary Committee.

Cross File: None.

Information Source(s): Department of State Police, Department of Public Safety and Correctional Services, Department of Legislative Services

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