

**Department of Legislative Services**  
 Maryland General Assembly  
 2002 Session

**FISCAL NOTE**

Senate Bill 382 (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 \$66,800 in FY 2003. General fund expenditures would increase by \$148,300 in FY 2003 due to the issuance of more handgun permits. Out-years reflect annualization, inflation, and renewal automobile purchases.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GF Revenue	\$66,800	\$89,100	\$89,100	\$9,500	\$9,500
GF Expenditure	148,300	143,100	149,300	178,400	163,000
Net Effect	(\$81,500)	(\$54,000)	(\$60,200)	(\$168,900)	(\$153,500)

*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 requirement that a person have a “good and substantial reason” for getting a handgun permit and adds a requirement that a person not

be prohibited from possessing a pistol or revolver under provisions relating to the sale of firearms to minors. The bill also prohibits the issuance of a handgun permit to an individual the Secretary finds to be a “habitual drunkard” rather than an “alcoholic.”

The bill adds the following additional eligibility requirements for handgun permits:

- completion of a course of handgun instruction that must include six hours of handgun safety training, six hours of study on the legal responsibilities of gun owners, and six hours of study and training in nomenclature, maintenance, sight alignment, position shooting, dry-firing, and range practice;
- attaining a passing score on a firing range test and a written test on the legal responsibilities of gun use outside the home or business; and
- certification by a holder of a qualified handgun instructor’s card.

The Secretary may waive the course and firing range test requirements if the applicant is a former law enforcement officer, a member of the armed forces trained in the use of handguns, a member of an accredited gun club who is approved by a holder of a qualified handgun instructor’s card, or a National Rifle Certified Handgun Instructor.

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 (DPSCS) from five to seven members, and alters the time frames within which the board operates.

**Current Law:** A person may not wear, carry, or transport a handgun unless the person qualifies under an express exemption or has been issued a permit to carry a handgun. Current exemptions include law enforcement personnel of the United States, of Maryland, or of any county or city of Maryland.

To be issued a permit to carry a handgun by the Secretary of State Police an applicant: (1) must be 18 years of age or older; (2) must not have been convicted of a felony or misdemeanor for which a sentence of imprisonment for more than one year has been imposed or, if convicted, must have been pardoned or been granted relief under federal law; (3) if the person is younger than 30 years of age, must not have been committed to a

facility for juveniles for longer than one year or adjudicated delinquent for a crime of violence, a felony, or misdemeanor that carries a statutory penalty of more than two years; (4) must not have been convicted of a controlled dangerous substance violation and must not presently be an addict, a habitual user of a controlled dangerous substance, or an alcoholic; (5) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to himself or other law-abiding person; and (6) must have a good and substantial reason to wear, carry, or transport a handgun. "Good and substantial reason" includes a finding that the permit is necessary as a reasonable precaution against apprehended danger.

The Secretary of State Police may charge, for a handgun permit, a nonrefundable fee not to exceed \$75 for an initial application, \$50 for a renewal or subsequent application, and \$10 for a duplicate or modified permit.

**Background:** There are approximately 52,700 people in Maryland licensed to carry a handgun. The State Police issues an average of 1,786 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 the bill will lead to a 200% increase in annual applications in each of the next five years.

Accordingly, an additional 3,572 initial applications per year are expected to increase revenues by \$267,900 annually. Accounting for the bill's October 1, 2002 effective date, the revenue increase for fiscal 2003 is expected to be \$200,925.

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 17,567 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 2003, accounting for the bill's effective date, of about \$197,629. For fiscal 2004 and 2005, this amount (annualized) would be \$263,505. Fiscal 2006 and 2007 would initiate annual losses of about \$317,085 due to the bill's extended renewal period. Renewal fee income would not begin to mitigate this loss until fiscal 2008.

The net effect on revenues is a \$66,835 increase in fiscal 2003, becoming a \$9,523 increase in fiscal 2006.

General fund expenditures could increase by an estimated \$148,338 in fiscal 2003 which accounts for the bill's October 1, 2002 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	\$85,851
Other Operating Expenses	<u>62,487</u>
<b>FY 2003 State Police Expenditures</b>	<b>\$148,338</b>

Future year expenditures reflect: (1) full salaries with 3.5% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) trooper automobile replacement costs in fiscal 2006.

Finally, 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 DPSCS. Any additional expense reimbursements for board members are assumed to be minimal and absorbable within existing budgeted resources.

**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.

## **Additional Information**

**Prior Introductions:** Similar bills have been introduced during prior sessions. SB 220 of 2001, SB 234 of 1999, and SB 366 of 1998 were withdrawn. SB 234 of 2000 was never reported from the Judicial Proceedings 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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