

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 224

(Senator Frosh, *et al.*)

Judicial Proceedings

Gun Accountability Act of 2002

This bill provides that a valid Maryland driver's license or photographic identification card with an approved firearms purchase designation is required for the purchase or receipt of a regulated firearm. The bill establishes requirements and procedures for the issuance, renewal, and revocation of a firearms purchase approval designation and establishes procedures for a hearing on a denial or revocation of a designation.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues could increase by \$630,000 in FY 2003. Out-years reflect changes in certification applications. TTF expenditures could increase by \$691,400 in FY 2003, including one-time reprogramming costs for the Motor Vehicle Administration (MVA) of about \$649,800. Out-years reflect annualization and inflation.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
SF Revenue	\$630,000	\$310,000	\$248,000	\$248,000	\$248,000
GF Expenditure	735,000	0	0	0	0
SF Expenditure	691,400	54,600	55,900	57,100	58,500
Net Effect	(\$796,400)	\$255,400	\$192,100	\$190,900	\$189,500

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

Local Effect: None.

Small Business Effect: Minimal. This bill is not expected to significantly affect the sale, purchase, or transfer of regulated firearms in the State.

Analysis

Bill Summary: The MVA is required to issue a driver's license with an approved firearms purchase designation or photographic identification card with an approved firearms purchase designation on certification by the Secretary of State Police that the applicant: (1) is at least 21 years old; (2) is a resident of the State; (3) has demonstrated satisfactory completion of a firearms safety training course approved by the State Police; and (4) based on a criminal history records check, is not prohibited by federal or State law from purchasing or possessing a regulated firearm and has not exhibited a propensity for violence or instability that may reasonably render the applicant's possession of a regulated firearm as a danger to the applicant or to others.

The bill provides specified requirements for an applicant to obtain a driver's license firearms purchase approval designation including payment of a nonrefundable fee (as set by the Secretary), proof of completion of a safety training course, completed fingerprint cards, and a sworn statement that the applicant is not prohibited under federal or State law from possessing a regulated firearm. A certification of approval or a written denial of an application for an approval designation must be made by the State Police to the MVA or the applicant, respectively, within 21 days of receipt by the State Police of an application.

An approval designation expires upon the expiration date of the Maryland driver's license or photographic identification card. The firearms purchase approval designation may be renewed each time the driver's license or identification card is renewed on application and payment of a renewal fee set by the Secretary in an amount sufficient to cover processing costs. All such revenue is required to be deposited to a special fund for the account of the State Police. The Secretary may not require, as a condition of renewal, that the applicant retake the firearms safety training course or resubmit a set of fingerprints.

The Secretary may revoke an approval designation on a finding that the licensee no longer satisfies the statutory qualifications. A person holding an approval designation that has been revoked must return the driver's license or photographic identification card to the State Police within 45 days after the receipt of the revocation notice.

The bill provides for grievance hearings related to the issuance or revocation of approval designations, which must be held in the aggrieved party's county of legal residence.

Current Law: A regulated firearm is any handgun or assault weapon defined as such under the Annotated Code of Maryland. The application to purchase, rent, or transfer a regulated firearm must contain the following information:

- applicant's name, address, and Maryland driver's or photographic identification soundex number;
- Social Security number, occupation, place and date of birth, height, weight, race, eye and hair color, and signature and regulated firearm information for each firearm to be purchased, rented, or transferred. In the event the applicant is a corporation, the application must be completed and executed by a corporate officer who is a resident of the State; and
- because any of the following disallow a person from possessing a regulated firearm, a statement by the applicant under the penalty of perjury that he or she:
 - A. has never been convicted of: (1) a crime of violence; (2) any violation classified as a felony in this State; (3) any violation classified as a misdemeanor in this State that carries a statutory penalty of more than two years; or (4) any violation classified as a common law offense where the person received a term of imprisonment of more than two years;
 - B. is not a fugitive from justice, is not a habitual drunkard, is not an addict or habitual user of any controlled dangerous substances, has never spent more than 30 consecutive days in any medical institution for treatment of a mental disorder or disorders (unless there is attached to the application a physician's certificate, issued within 30 days prior to the date of application, certifying that the applicant is capable of possessing a regulated firearm without undue danger to himself or herself, or to others), is at least 21 years of age, and is not a respondent against whom a current non ex parte civil protective order has been entered; and
 - C. if less than 30 years of age at the time of application, has not been adjudicated delinquent by a juvenile court for: (1) a crime of violence; (2) any violation classified as a felony in this State; or (3) any violation classified as a misdemeanor in this State that carries a statutory penalty of more than two years.

For an application made on or after January 1, 2002, an applicant must have completed a certified firearms safety training course conducted free of charge by the Maryland Police Training Commission or one that meets standards established by the training commission.

An application must contain information as to the date and hour the application was delivered in completed form to the prospective seller or transferor by the prospective purchaser, lessee, or transferee.

A person is not required to complete a certified firearms training course if the person: (1) has already completed a required certified firearms training course; (2) is a law enforcement officer of the State or any local law enforcement agency in the State; (3) is a member, retired member, or honorably discharged member of the armed forces of the United States or the National Guard; (4) is a member of an organization that is required

by federal law or regulations governing their specific business or activity to maintain handguns and applicable ammunition; or (5) has been issued a permit to carry a handgun.

State Fiscal Effect: The Department of State Police reviews all firearm purchase applications completed by firearms dealers in the State. The average annual number of applications for firearm purchases over the last four years has been about 31,000. However, because it is not known how many applicants in any given year are multiple gun owners, the number of applicants who would need and seek certification for an approved firearms purchase designation annually cannot be readily predicted. Based on projections by the MVA, it is estimated that 31,000 persons would seek certification in fiscal 2003, but that only half of that number of persons would apply for certification in fiscal 2004 (16,500) and that approximately 12,400 new persons would apply in each year thereafter.

The State Police report that there are currently 14 civilian staff personnel and 4 uniformed troopers assigned to review all firearm purchase applications in the State. An applicant's name, address, and Maryland driver's or photographic identification soundex number are already required for the purchase of a regulated firearm.

Because the information for providing a certification is substantially the same as that for a background check made for each current purchase of a firearm (with one exception -- see below), it is assumed that the State Police would have the ability to seek the same information for the same persons as is already sought at the time of each gun purchase. Accordingly, since it is believed that this bill will not have any effect on the number of firearm purchases or the identity of purchasers, it is assumed that the State Police could handle the bill's requirements with existing budgeted resources. To the extent that initial operations under the bill might require an adjustment period and modification of management tools and practices, it is also assumed that the fee authorized under the bill could accommodate the software modifications, new forms, and the hiring of any temporary personnel. Legislative Services believes that some operational economies may be realized by the agency under the certification system that are not now available due to checks being performed *only* when a firearm is purchased.

Legislative Services notes that the State Police disagrees with this assessment and believes that this bill would require the doubling of current staff with an additional 13 civilian staff personnel and four additional troopers.

Legislative Services also notes that the one difference between the background checks required under this bill and those that are required under current law at the time of purchase involves fingerprints and the use of the Criminal Justice Information System (CJIS). This bill's required background check for certification would necessitate the

involvement of CJIS in the background checks. Because each applicant must pay \$28 for a criminal history records check based on fingerprints, the Department of Public Safety and Correctional Services (DPSCS) advises that for every 10,000 additional checks, one additional fingerprint matcher workstation must be purchased at a cost of \$245,000. Accordingly, fiscal 2003 general fund expenditures will increase by \$735,000 to purchase three additional workstations necessary to process the additional checks required by the bill (approximately 31,000 in fiscal 2003).

The additional criminal history records check fees received for applicants represent cost recovery for processing and administration and is revenue/cost neutral. DPSCS also advises that for each additional 25,000 checks, additional permanent and contractual staff would be needed; however, because the number of records checks would begin to decline by fiscal 2004, it is projected that this bill will only trigger the expenditure for new equipment.

The MVA advises that inclusion of an approved firearms purchase designation on driver's licenses and photographic identification cards issued by the agency would be handled in a similar manner as for organ donor designations on the front and back of each designated license or card. An additional charge of \$20 would apply to license and card applicants seeking the designation. Based on the assumption that approximately 31,000 applicants would seek the certification in fiscal 2003, the MVA estimates that TTF revenues would increase by about \$620,000 in fiscal 2003, by half of that amount in fiscal 2004 (16,500 applicants or \$310,000), and by 40% of the fiscal 2003 estimate in the out-years (12,400 applicants or \$248,000 annually).

Every five years, when licenses expire and are due for renewal, revenues would also increase by corresponding amounts. For example, in fiscal 2008, it is expected that all 31,000 designated licensees would renew and an additional 12,400 new applicants would generate special fund revenue of \$868,000 (\$620,000 + \$248,000).

On the other hand, TTF expenditures could increase by an estimated \$691,438 in fiscal 2003, which accounts for the bill's October 1, 2002 effective date. This estimate reflects the cost of hiring two contractual clerks to assist in the issuance of approved firearms purchase designations. It includes contractual salaries, fringe benefits, and one-time start-up costs for the current vendor to perform reprogramming changes.

Salaries and Fringe Benefits	\$41,608
One-time Reprogramming	<u>649,830</u>
Total FY 2003 MVA Expenditures	\$691,438

Future year expenditures reflect 1% annual increases in ongoing contractual employee expenses.

Legislative Services notes that the vendor has advised the MVA that the one-time reprogramming costs for fiscal 2003 would total \$1,181,160. Legislative Services believes that the estimated number of hours for some services from the vendor are too high, and has reduced that estimate accordingly as is reflected above.

Any additional hearings generated for the Office of Administrative Hearings could be handled with existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: HB 543 (Delegate Shriver, *et al.*) – Judiciary. In addition, SB 222 (Senators Van Hollen and Frosh) is also identical.

Information Source(s): Office of Administrative Hearings, Department of State Police, Department of Transportation, Department of Legislative Services

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