

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 911 (Senator Hooper, *et al.*)
Judicial Proceedings

Public Safety - Handgun Permits - Repeal of Finding Requirement

This bill repeals one current law finding that must be made by the Secretary of State Police for the issuance of a State handgun permit, *i.e.*, the applicant has a good and substantial reason to wear, carry, or transport a handgun, such as a finding that the permit is necessary as a reasonable precaution against apprehended danger.

Fiscal Summary

State Effect: General fund revenues would increase by \$90,000 in FY 2007 and general fund expenditures would increase by \$286,900. Out-years reflect annualization, inflation, and renewal automobile purchases.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
GF Revenue	\$90,000	\$120,000	\$180,000	\$200,000	\$200,000
GF Expenditure	286,900	250,000	261,800	353,300	287,600
Net Effect	(\$196,900)	(\$130,000)	(\$81,800)	(\$153,300)	(\$87,600)

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 increased handgun sales in the State.

Analysis

Current Law: 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 1 year or adjudicated delinquent for a crime of violence, a felony, or misdemeanor that carries a statutory penalty of more than 2 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 another; 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.

A handgun permit application costs \$75; two years after the initial permit, a \$50 renewal fee is due and every three years thereafter. In addition, the applicant must pay for fingerprint based federal and State criminal history background checks. At a cost of \$42 for the initial application (plus \$10 for the fingerprint cards) and \$24 for renewals (covering a federal re-check only).

Background: There are about 12,000 active handgun permits in Maryland. The State Police receives between 1,600 and 2,000 initial handgun applications per year. In calendar 2005, there were 1,618. The State Police denied 257 applicants in fiscal 2004 and 233 applicants in fiscal 2005 on the basis of a finding that the person did not have a good and substantial reason to wear, carry, or transport a handgun. Maryland's Criminal Justice Information System Central Repository must collect the fee from the applicant, or other payer, and reimburse the Federal Bureau of Investigation (FBI) through that agency's monthly billing.

There are about 4,000 annual renewals of permits based on the current three-year renewal cycle. It currently takes an average 30 to 45 days to receive the results of a national criminal history records check from the FBI.

State Revenues: The State Police estimate that elimination of the requirement that a person have a "good and substantial reason" for carrying a firearm will double the annual applications. Although initial permit and renewal applications are estimated to remain relatively constant for the next several years, Legislative Services assumes that at some unknown time in the future, handgun permit applications will reach a saturation point. However, any such leveling off of permit applications cannot be reliably quantified.

In any event, assuming an increase of about 1,600 permit applications per year beginning in fiscal 2007, general fund revenues attributable to the State Police for handgun permits

would increase by \$90,000 in fiscal 2007 accounting for the bill's effective date (1,200 permits). In fiscal 2008, the increase would be \$120,000 due to annualization. In fiscal 2009, the additional revenue would be \$180,000, reflecting 1,600 initial applications and 1,200 renewal applications. After fiscal 2009, the additional annual permit application revenue (including renewals) would be \$200,000.

State Expenditures: General fund expenditures could increase by an estimated \$286,890 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects the cost to hire two full-time troopers and one office clerk to process and issue the additional handgun permit applications, review and issue renewal permits, and prepare information relating to hearings. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$138,886
Motor Vehicle Purchases	55,565
Other Operating Expenses	<u>92,439</u>
Total FY 2007 State Police Expenditures	\$286,890

Future year expenditures reflect: (1) full salaries with 4.6% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) trooper automobile replacement costs in fiscal 2010.

Although the State Police believe that this bill would necessitate the hiring of three additional troopers and three office clerks (at a cost of \$516,637 in fiscal 2007), Legislative Services advises that that amount of personnel and costs are inconsistent with estimates provided for similar responsibilities in prior years. The above estimate replicates those earlier estimates.

Additional Information

Prior Introductions: SB 137 of 2004 contained a provision the same as this bill, among other provisions. It received an unfavorable report from the Senate Judicial Proceedings Committee. Similar bills to SB 137 of 2004 have been introduced during prior sessions. SB 382 of 2002, 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: HB 1163 (Delegate Dwyer, *et al.*) – Judiciary.

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

Fiscal Note History: First Reader - March 6, 2006
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