

Department of Legislative Services
 Maryland General Assembly
 2013 Session

FISCAL AND POLICY NOTE

House Bill 894
 Judiciary

(Delegates Rosenberg and Simmons)

Firearms - Dealer's License and Handgun Permit Application Fees

This bill increases the application fee for a regulated firearms dealer’s license from \$50 to \$52 and the application fee for an initial handgun permit from \$75 to \$77. The bill requires the Secretary of State Police to use the additional \$2 collected from each application to support (1) continuing education programs for law enforcement officers and health care professionals relating to the regulation of firearm possession by an individual identified as a danger to self and others and (2) crisis intervention teams in local jurisdictions.

Fiscal Summary

State Effect: General fund revenues increase by \$5,900 in FY 2014, reflecting the \$2 fee increase for new handgun permit applications and new firearms dealer’s license applications. General fund expenditures increase correspondingly. Out-year revenues and expenditures reflect growth.

(in dollars)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
GF Revenue	\$5,900	\$6,400	\$6,800	\$7,300	\$7,700
GF Expenditure	\$5,900	\$6,400	\$6,800	\$7,300	\$7,700
Net Effect	\$0	\$0	\$0	\$0	\$0

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

Local Effect: Minimal increase in local revenues for continuing education programs for law enforcement officers and health care professionals, as well as crisis intervention teams.

Small Business Effect: Minimal.

Analysis

Current Law:

Regulated Firearms Dealer's License

A person must lawfully possess a dealer's license issued by the Secretary of State Police before the person engages in the business of selling, renting, or transferring regulated firearms. One dealer's license is required for each place of business where regulated firearms are sold. An applicant for a dealer's license must submit an application, pay an application fee of \$50 (payable to the Comptroller), and submit to a State and national criminal history records check. The Secretary must conduct an investigation to determine the truth or falsity of the information provided by the applicant. A refund or proration of the application fee is prohibited.

An application for a dealer's license must contain the following information:

- the applicant's name, address, Social Security number, place and date of birth, height, weight, race, eye and hair color, and signature;
- a clear and recognizable photograph of the applicant, unless the photograph has been submitted with a prior year's application;
- a set of the applicant's fingerprints, unless the fingerprints have been submitted with a prior year's application; and
- a statement by the applicant that the applicant is a citizen of the United States, is age 21 or older, has never been convicted of a disqualifying crime, has never been convicted of a common law crime and received a term of imprisonment of more than two years, is not a fugitive from justice, is not a habitual drunkard, is not addicted to a controlled dangerous substance or is not a habitual user, and has never spent more than 30 consecutive days in a medical institution for treatment of a mental disorder, unless a physician's certificate issued within 30 days before the date of application is attached to the application, certifying that the applicant is capable of possessing a regulated firearm without undue danger to the applicant or to another.

In addition, each application for a dealer's license must contain the following statement:

“Any false information supplied or statement made in this application is a crime which may be punished by imprisonment for a period of not more than 3 years, or a fine of not more than \$5,000 or both.”

Handgun Permits

Maryland law requires a person to be issued a permit to wear, carry, or transport a handgun. To be issued a permit to carry a handgun by the Secretary of State Police, an applicant (1) must be 18 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 younger than 30, 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 the applicant 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 and every three years thereafter, a \$50 renewal fee is due. 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 recheck only).

State Fiscal Effect: Data regarding new handgun permit applications and new firearm dealer's license applications from calendar 2008 through 2012 are shown in **Exhibit 1**.

Exhibit 1
New Handgun Permit and
Dealer License Statistics for Maryland
Calendar 2008-2012

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New Handgun Permit Applications	1,619	2,023	1,932	2,020	2,503
New Dealer's License Applications	-	5	7	13	41

Source: Department of State Police

Assuming that average annual growth rates remain relatively constant, for calendar 2014 through 2018, the estimated number of new handgun applications and new dealer's license applications subject to the new \$2 fee are shown in **Exhibit 2**.

Exhibit 2
Estimated Applications from 2014 to 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New Handgun Permit Applications	2,945	3,166	3,387	3,608	3,829
New Dealer License Applications	17	17	17	17	17

Source: Department of State Police, Department of Legislative Services

Accordingly, general fund revenues increase in fiscal 2014 by an estimated \$5,924 due to the fee increases. By 2018, the increase in general fund revenues grows to \$7,692. It is assumed that general fund expenditures for the bill's enumerated purposes correspond to revenues in each year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Carroll, Cecil, Harford, Montgomery, Queen Anne's, and St. Mary's counties; Department of Health and Mental Hygiene; Department of State Police; Department of Legislative Services

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