

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 339
 Judiciary

(Delegate McKay)

Public Safety - Handgun Permits - Correctional Officer

This bill establishes a presumption that an applicant for a permit to wear, carry, or transport a handgun has a good and substantial reason for issuance of the permit if the applicant is an active certified “correctional officer.”

Fiscal Summary

State Effect: General fund revenues increase by \$150,000 in FY 2018 from the issuance of additional handgun permits and the payment of associated fees. Future year revenues reflect the licensure issuance and renewal cycle and a decrease in new permit applications and renewals over time. General fund expenditures for the Department of State Police (DSP) increase by \$79,600 in FY 2018 to process additional handgun permit applications. Future year expenditures reflect annualization and ongoing operating expenses.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
GF Revenue	\$150,000	\$75,000	\$157,500	\$105,800	\$95,200
GF Expenditure	\$79,600	\$92,900	\$96,900	\$101,100	\$105,600
Net Effect	\$70,400	(\$17,900)	\$60,600	\$4,600	(\$10,400)

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

Local Effect: None.

Small Business Effect: Potential meaningful. It is assumed that the bill leads to an increase in the number of handgun permits sought in the State. Small businesses that provide firearm instruction may benefit from an increase in the demand for their services.

Analysis

Current Law: “Correctional officer” means a member of a correctional unit whose duties relate to the investigation, care, custody, control, or supervision of inmates and individuals who have been placed on parole or mandatory supervision, have been placed on probation, or have received a suspended sentence. “Correctional officer” does not include the head or deputy head of a correctional unit, or a sheriff, warden, or superintendent or an individual with an equivalent title who is appointed or employed by a unit of government to exercise equivalent supervisory authority.

Generally, with certain exceptions, to be issued a permit to carry, wear, or transport 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) 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; (4) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to the applicant or another; (5) must have successfully completed, prior to application and each renewal, a specified firearms training course approved by the Secretary; (6) 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 a misdemeanor that carries a statutory penalty of more than two years; and (7) 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 may limit the geographic area; circumstances; or times of day, week, month, or year in which a permit is effective.

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 for an initial application. A person who applies for a renewal of a handgun permit is not required to be fingerprinted unless the Secretary requires a set of the person’s fingerprints to resolve a question of the person’s identity. The Secretary may not charge a fee to (1) a State, county, or municipal public safety employee who is required to carry, wear, or transport a handgun as a condition of governmental employment or (2) a retired law enforcement officer of the State or a county or a municipal corporation of the State.

A permit expires on the last day of the holder’s birth month following two years after the date the permit is issued. A permit may be renewed for successive periods of three years each if, at the time of an application for renewal, the applicant possesses the qualifications for the issuance of a permit and pays the renewal fee.

A handgun permit applicant must successfully complete, prior to the application and each renewal, a firearms training course approved by the Secretary that includes (1) for an initial application, a minimum of 16 hours of instruction by a qualified handgun instructor, or 8 hours of instruction for a renewal application; (2) classroom instruction on State firearm law, home firearm safety, and handgun mechanisms and operation; and (3) a firearms qualification component that demonstrates the applicant's proficiency and use of the firearm.

An applicant for a permit is not required to complete a certified firearms training course if the applicant:

- is a law enforcement officer or a person who is retired in good standing from service with a law enforcement agency of the United States, the State, or any local law enforcement agency in the State;
- is a member, retired member, or honorably discharged member of the U.S. Armed Forces or the National Guard;
- is a qualified handgun instructor; or
- has completed a firearms training course approved by the Secretary.

Background: In 2016, DSP received 3,965 new applications for a handgun permit and 4,210 handgun permit renewal applications. There are currently approximately 17,800 active handgun permits in the State. It generally takes less than two days to receive the results of a national criminal history records check from the Federal Bureau of Investigation and approximately 90 days to process, investigate, and issue a permit. DSP has denied an average of less than 10% of nonpolice-related applications annually, on the basis of a finding that the person did not have a "good and substantial reason" for the permit.

State Revenues: The Department of Public Safety and Correctional Services (DPSCS) advises that there are approximately 8,000 correctional officers employed by DPSCS. Of the 8,000, approximately 1,800 receive weapons training as a condition of employment. Correctional officers must participate in specialized training and be assigned to special units within DPSCS in order to carry a weapon outside of a State correctional facility. No weapons may be worn inside of a State correctional facility on a normal basis. Of the remaining correctional officers who do not already have a handgun permit through employment, it is not likely that all apply for a handgun permit under the bill's authorization.

Assuming 2,000 correctional officers apply for a handgun permit under the bill, general fund revenues increase by \$150,000 in fiscal 2018. By fiscal 2022, the increase in general fund revenues for initial applications and renewals decreases to \$95,175; this estimate

assumes that initial handgun permit applications decline by at least 50% after the first year and approximately 10% annually thereafter and that the total number of permits renewed decreases by 10% annually. **Exhibit 1** shows the estimated increase in general fund revenues from additional handgun permit fees through fiscal 2022.

Exhibit 1
Estimated Handgun Permit Fee Revenue under the Bill

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
New Apps.	2,000	1,000	900	810	729
Fee Revenue	\$150,000	\$75,000	\$67,500	\$60,750	\$54,675
Renewals	-	-	1800	900	810
Fee Revenue	-	-	\$90,000	45,000	\$40,500
Total Revenue	\$150,000	\$75,000	\$157,500	\$105,750	\$95,175

Source: Department of Legislative Services

DSP anticipates that every eligible correctional officer will apply for a handgun permit in fiscal 2018. The Department of Legislative Services (DLS) advises that this is unlikely. However, to the extent the number of new applications received varies from the above estimate, fee revenue varies accordingly.

State Expenditures: General fund expenditures for DSP increase by \$79,586 in fiscal 2018, which accounts for the bill’s October 1, 2017 effective date. This estimate reflects the cost of hiring one office services clerk and one contractual administrative officer to process and issue the additional handgun permit applications and to review and issue renewal permits. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position (regular)	1
Position (contractual)	1
Salary and Fringe Benefits (Regular)	\$38,619
Salary and Fringe Benefits (Contractual)	30,749
Operating Expenses	<u>10,218</u>
Total FY 2018 State Expenditures	\$79,586

Future year expenditures reflect full salaries with annual increases and employee turnover and ongoing operating expenses.

In addition to the office services clerk and contractual administrative officer described above, DSP advises that it needs to hire one trooper and four contractual employees to handle the additional applications it anticipates. DLS disagrees; the need for those additional personnel is unclear going forward due to the assumed decline in applications over time and the new resources for automation and additional personnel for the Licensing Division provided in the State budget since fiscal 2014. Should overtime or additional personnel needs emerge based on actual experience under the bill, it could be handled through the annual budget process.

Additional Information

Prior Introductions: HB 1207 of 2016 received a hearing in the House Judiciary Committee, but no further action was taken.

Cross File: None.

Information Source(s): Baltimore, Dorchester, Garrett, and Montgomery counties; Department of Public Safety and Correctional Services; Department of State Police; Department of Legislative Services

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md/lgc

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