

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 543
Judiciary

(Delegate Ali, *et al.*)

Law Enforcement - First Responders Killed or Disabled in the Line of Duty Fund

This bill establishes the First Responders Killed or Disabled in the Line of Duty Fund to provide financial assistance to “first responders” and the families of first responders who are killed or disabled in the line of duty. The fund, which is administered by the Executive Director of the Governor’s Office of Crime Control and Prevention (GOCCP), consists of (1) money credited for fees paid from applications for handgun permits; (2) investment earnings; and (3) any other money from any other source accepted for the benefit of the fund. Beginning July 1, 2019, handgun permit application and renewal fees must be allocated to the new special fund, rather than to the general fund.

Fiscal Summary

State Effect: General fund revenues decrease by an estimated \$461,300 annually beginning in FY 2020; special fund revenues and expenditures increase correspondingly. General fund expenditures increase by \$81,400 in FY 2020 to administer the fund; future years reflect ongoing costs.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
GF Revenue	\$0	(\$461,300)	(\$461,300)	(\$461,300)	(\$461,300)
SF Revenue	\$0	\$461,300	\$461,300	\$461,300	\$461,300
GF Expenditure	\$0	\$81,400	\$78,800	\$81,600	\$84,500
SF Expenditure	\$0	\$461,300	\$461,300	\$461,300	\$461,300
Net Effect	\$0	(\$542,600)	(\$540,000)	(\$542,900)	(\$545,800)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The Executive Director must establish procedures for a first responder or the family of a first responder to apply for a grant from the fund and for the evaluation of progress in fulfilling the purpose of the fund. The Executive Director is authorized to make a one-time grant, not exceeding \$500,000, to a first responder or the family of a first responder from the fund. When making a grant from the fund, the Executive Director must consider the financial need of the first responder or the family of the first responder.

“First responder” means a:

- firefighter;
- emergency medical technician;
- rescue squad member;
- law enforcement officer;
- correctional officer; or
- sworn member of the State Fire Marshal’s office.

Current Law: A handgun permit application costs \$75; two years after the initial permit and every three years thereafter, a \$50 renewal fee is due. Current law requirements and background relating to the issuance of handgun permits is summarized in the **Appendix – Handgun Permit Requirements – Current Law/Background**.

Law Enforcement Officers – Death Benefits

Surviving beneficiaries or specified family members of individuals who die while an active member of the Law Enforcement Officers’ Pension System (LEOPS) are entitled to one of three different death benefit payments:

A *special death benefit* is payable to a surviving spouse or a surviving child younger than age 26 if the LEOPS member dies without willful negligence by the member and with at least two years of eligibility service. The benefit consists of a return of the member’s accumulated contributions and a monthly allowance of 50% of an ordinary disability allowance.

A *line-of-duty* death benefit is payable to a surviving spouse or a surviving child younger than age 26 if the LEOPS member dies without willful negligence by the member and the death occurred out of or in the course of the actual performance of duty. The benefit consists of a return of the member’s accumulated contributions and a regular monthly allowance of two-thirds of the member’s average final compensation.

If either the special or line-of-duty allowance is paid to more than one child younger than age 26, the allowance is divided equally until each child dies or turns 26.

A *general* death benefit is paid to the designated beneficiary or the member's estate if the LEOPS member dies without a surviving spouse or dependent child in the performance of duty or with one year of eligibility service. The benefit consists of a return of the member's accumulated contributions and a lump-sum payment equaling the member's annual compensation at the time of death. A general death benefit is not paid if either a special or line-of-duty benefit is paid.

Separate from death benefits paid by the State Retirement and Pension System, the Department of Public Safety and Correctional Services (DPSCS) pays a death benefit to the surviving spouse or minor children of any law enforcement officer in the State who is killed or dies in the performance of duties. The benefit consists of a lump-sum payment of \$125,000 that, since fiscal 2009, has been adjusted annually for inflation; the fiscal 2018 adjusted benefit is \$158,718. A separate payment of up to \$10,000 is payable for funeral expenses.

The U.S. Department of Justice Public Safety Officers' Benefits Programs provides a one-time benefit of \$350,079 to the survivors of law enforcement officers, firefighters, and other first responders who die in the line of duty.

Law Enforcement Officers – Workers' Compensation

Generally for Workers' Compensation benefits, an employee who is awarded compensation for a period less than 75 weeks is eligible to receive weekly benefits of one-third of the person's average weekly wage; however, the amount may not exceed 16.7% of the State average weekly wage. Certain law enforcement officers and other public safety employees are eligible for enhanced workers' compensation benefits. An employee designated as a specified public safety employee (such as a firefighter or police officer) is entitled to double the weekly benefits.

State Revenues: Beginning July 1, 2019, the bill allocates handgun permit application and renewal fees to the new special fund instead of to the general fund. Accordingly, general fund revenues from handgun permit application and renewal fees decrease beginning in fiscal 2020, and special fund revenues to the new fund increase correspondingly.

The fee revenue that is redirected from the general fund to the new special fund totals an estimated \$461,275 annually beginning in fiscal 2020. DSP advises that the number of initial handgun permits issued totaled 2,811 in 2015, 3,965 in 2016, and 3,204 in 2017. In the same years, 4,226, 4,210, and 4,270 handgun permits were renewed. This analysis

assumes an average of 3,327 initial permits and 4,235 permit renewals each year. Fees are currently set at the statutory maximum amounts of \$75 and \$50, respectively. Thus, annual fee revenues for initial permits are estimated at \$249,525 (3,327 x 75) and annual fee revenues for permit renewals are estimated at \$211,750 (4,235 x 50).

This analysis does not reflect any additional special fund revenues that may accrue to the fund from other sources. Accordingly, fund activity could be higher.

Although the bill indicates that investment earnings of the new special fund remain in the fund, the bill does not amend § 6-226 of the State Finance and Procurement Article to exempt the fund from existing law that requires all investment earnings and interest from special funds to accrue to the general fund. Thus, general fund revenues increase minimally from interest earned on the new special fund; any such impact is not accounted for in this analysis.

State Expenditures:

Administrative Costs for GOCCP

General fund expenditures for GOCCP increase by \$81,361 in fiscal 2020, which assumes a July 1, 2019 implementation date. (Although the bill's effective date is October 1, 2018, this analysis assumes that GOCCP does not need additional staff before the handgun permit fee revenues begin to accrue to the new special fund.) This estimate reflects the cost of hiring one program manager to administer the fund. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$75,846
Operating Expenses	<u>5,515</u>
Total FY 2020 Admin. Expenditures	\$81,361

Because the bill does not explicitly authorize the new special fund to be used to cover GOCCP's administrative costs, this analysis assumes that general funds are needed to cover those costs.

Future year expenditures reflect a salary with annual increases and employee turnover and ongoing operating expenses.

First Responders Killed or Disabled in the Line of Duty Fund

This analysis assumes that all special funds available to the new fund are spent each year; thus, special fund expenditures increase by an estimated \$461,275 annually beginning in fiscal 2020.

Although it is assumed that multiple applicants may seek grants from the fund in any given year, the Department of Legislative Services notes that given the estimated revenues available to the fund and the maximum of \$500,000 set for each individual grant from the fund, it is possible for one applicant to exhaust the entire fund in any given year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office of Crime Control and Prevention; Maryland Department of Health; Department of State Police; State Retirement Agency; Department of Legislative Services

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Analysis by: Shirleen M. E. Pilgrim

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

Appendix

Handgun Permit Requirements – Current Law/Background

Generally, with certain exceptions, to be issued a handgun permit 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 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 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.

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.

Generally a handgun permit expires on the last day of the holder's birth month following two years after the date the permit is issued; however, the Secretary may establish an alternative expiration date for a permit to coincide with the expiration of a private detective license, a security guard certification, or a special police officer commission. 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.

In 2017, the Department of State Police (DSP) received 4,327 new applications for handgun permits and 4,513 handgun permit renewal applications. DSP denied 411 applications in the same year. There are currently approximately 20,043 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.