

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 538 (Delegate Hartman)
 Judiciary

Handgun Permits – Qualifications – High-Risk Occupations

This bill specifies that, under provisions applicable to requirements for the issuance of a permit to wear, carry, or transport a handgun, employment in specified occupations constitutes a reason for issuance of the permit.

Fiscal Summary

State Effect: General fund revenues from handgun permit fees increase by \$2.3 million in FY 2022; future years reflect the licensure issuance and renewal cycle as well as a decrease in new permit applications and renewals over time. General fund expenditures increase by \$663,800 in FY 2022; future years reflect annualization and ongoing costs.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
GF Revenue	\$2,250,000	\$1,912,500	\$2,975,600	\$2,596,800	\$2,268,000
GF Expenditure	\$663,800	\$677,900	\$697,800	\$723,100	\$749,000
Net Effect	\$1,586,200	\$1,234,600	\$2,277,800	\$1,873,700	\$1,519,000

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

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary: Reasons for issuance of a handgun permit include employment as a correctional officer, a parole and probation officer, a firefighter, an emergency medical technician, a rescue squad member, a security guard for a church or religious organization, a physician, a physician’s assistant, a nurse, or a nurse practitioner.

Current Law: Generally, an applicant for a handgun permit must, among other requirements, 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. Current law requirements and background relating to the issuance of handgun permits is summarized in the **Appendix – Handgun Permit Requirements – Current Law/Background.**

State Revenues: The Department of Legislative Services (DLS) estimates that this bill increases new handgun permit applications by about 30,000 in fiscal 2022. Many correctional officers, parole and probation officers, and security guards for church and religious organizations already qualify for and have been issued handgun permits. However, individuals employed in the other specified occupations do not currently qualify for handgun permits, and research indicates that approximately 90,000 individuals in the State could be classified within those occupations. This estimate assumes that about one-third of those individuals apply for a handgun permit as a result of the bill, as well as several correctional officers, parole and probation officers, and security guards for church and religious organizations who do not currently have a handgun permit.

Assuming an increase of about 30,000 permit applications in fiscal 2022, general fund revenues from handgun permit fees increase by an estimated \$2.3 million in fiscal 2022. By fiscal 2024, the increase in general fund revenues increases to an estimated \$3.0 million, reflecting fee revenue from both initial applications and renewals. By fiscal 2026, the increase in general fund revenues for initial applications and renewals decreases to \$2.3 million; this estimate assumes that, over time, initial handgun permit applications decline by 15% annually, 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 2026.

Exhibit 1
Estimated Handgun Permit Fee Revenue under the Bill

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
New Applications	30,000	25,500	21,675	18,424	15,660
Fee Revenue	\$2,250,000	\$1,912,500	\$1,625,625	\$1,381,781	\$1,174,514
Renewals	-	-	27,000	24,300	21,870
Fee Revenue	-	-	1,350,000	1,215,000	1,093,500
Total Revenue	\$2,250,000	\$1,912,500	\$2,975,625	\$2,596,781	\$2,268,014

Source: Department of Legislative Services

State Expenditures: General fund expenditures for the Department of State Police (DSP) increase by an estimated \$663,762 in fiscal 2022, which reflects the bill’s October 1, 2021 effective date. DSP advises that its Licensing Division requires eight hours to process one application. Based on an anticipated increase of approximately 30,000 applications in fiscal 2022, this estimate reflects the cost of hiring three troopers, five office service clerks, and two service clerk supervisors to process and issue the additional handgun permit applications and review and issue renewal permits. The estimate includes salaries and fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	10.0
Salaries and Fringe Benefits	\$526,949
Motor Vehicle Purchases	51,000
Additional Police and Civilian Equipment	80,900
Other Operating Expenses	<u>4,913</u>
Total FY 2022 DSP Expenditures	\$663,762

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

DSP’s licensing division has experienced dramatic increases in firearm-related applications in recent years and, as a result, has utilized significant overtime. In addition to the personnel and programming costs estimated above, DSP projects trooper and civilian overtime costs in fiscal 2022. However, the new automated handgun permit application process, which was implemented in January 2020, has assisted with the processing of firearm purchase and handgun permit applications, and DSP anticipates that it will continue to assist with processing the expected increase in handgun permit applications under the bill. Should overtime or additional personnel costs emerge in the future, DSP can request additional resources through the annual budget process.

DLS notes that the Governor’s proposed fiscal 2022 budget includes additional funding and positions for DSP’s Licensing Division due to the recent increases in firearms-related applications.

Small Business Effect: Because 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.

Additional Information

Prior Introductions: HB 1502 of 2020 received a hearing in the House Judiciary Committee, but no further action was taken.

Designated Cross File: SB 826 (Senators Carozza and Ready) - Judicial Proceedings.

Information Source(s): Maryland Institute for Emergency Medical Services Systems; Baltimore City; Howard, Montgomery, and Prince George's counties; City of Bowie; Department of Public Safety and Correctional Services; Department of State Police; Department of Legislative Services

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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 2019, the Department of State Police (DSP) received 5,283 new applications for handgun permits and 7,945 handgun permit renewal applications. DSP denied 569 applications in the same year. There are currently approximately 27,396 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 FBI and approximately 90 days to process, investigate, and issue a permit.