

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 596** HLS 21RS 1002

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 7, 2021	4:24 PM	Author: FONTENOT
Dept./Agy.: Public Safety, State Police		Analyst: Patrice Thomas
Subject: Education Requirement for Permitless Concealed Handgun		

WEAPONS/HANDGUNS

RE DECREASE SG RV See Note

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Provides relative to the concealed carrying of firearms

Present law prohibits the carrying of a concealed firearm; provides for criminal penalties; provides for certain exceptions to the offense; provides that Louisiana residents who meet certain eligibility requirements may apply for and be issued a concealed handgun permit; requires the person to possess a valid concealed handgun permit in order to carry a concealed handgun in the state. Proposed law creates nonpermitted concealed handgun holders for a person who is 21 years of age or older, and who is not prohibited from possessing a firearm under any federal or state law, or on alcohol or controlled dangerous substance. Proposed law removes the requirement that a person must possess a permit issued by the state in order to carry a concealed handgun, but does not affect reciprocity requirements under present law. Proposed law requires completion of a 60-minute online education course at no cost that is created by the Office of State Police that includes specific topics, and prohibits possessing a concealed handgun unless issued a certificate of satisfactory completion of the 60-minute online course. Proposed law requires the State Police to create an online searchable database of firearm instructors.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is estimated to increase state expenditures by \$25,000 (assumed to be SGF) in the Office of State Police within the Department of Public Safety (DPS) to develop a 60-minute education course, issue a certificate upon satisfactory completion of said course, and maintain a searchable database of licensed handgun and firearm instructors. While proposed law does not directly impact other state or local governmental expenditures, it does eliminate Statutorily Dedicated revenues out of the Concealed Handgun Permit Fund used to support certain functions within the Department of Public Safety, Office of State Police (\$4.1 M based on actual expenditures in FY 20), Local Funds used to support public defender offices, and other various SGR and Local Funds used to support courts, crime labs, etc. The total loss of revenues to support these expenditures is indeterminable (see Revenue Explanation).

DPS indicates the proposed law may require approximately 950 hours of overtime for the Information Services Section at an average cost of \$80 per hour (\$80 x 950 = \$76,000) plus associated Medicare expenses (\$76,000 x 1.45% = \$1,102), or a total of \$77,102. The proposed law will require modifications to the State Police Concealed Handgun system for a new certificate feature, so the system will be able to accept both permits and certificates. The Legislative Fiscal Office presumes additional IT workload associated with this proposed law is incremental in nature and will be accomplished utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the department may require additional resources. In addition, the department reports an one-time expenditure of \$25,000 for video production cost to develop the 60-minute online course.

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

DPS estimates that proposed law may result in a revenue decrease of up to \$4.1 M in the statutorily dedicated Concealed Handgun Permit Fund related to new or renewal of five-year permits for concealed weapons based on FY 20 permits issued. The proposed law eliminates the concealed handgun permit and replaces it with a certificate of satisfactory completion of a free 60-minute online education course. DPS reports that in FY 20, 24,000 new, renewal permits, and lifetime permits were issued. Using those numbers as a baseline, the revenue loss could be up to \$4.1 M. NOTE: Some of the permits were issued at half the standard fee because they were for people 65 and older or people with active military status. Additionally, the number of permits issued varies widely from year to year based on external factors such a political influences, world and national events, etc. In FY 20, concealed permits were down as a result of the statewide ransomware attack and COVID-19. Actual expenditures from the Concealed Handgun Permit Fund have varied between \$3 M and \$5.4 M between FY 15 and FY 20.

DPS reports that the decrease attributable to enactment of proposed law is indeterminable and may be mitigated to a partial or significant degree because some people may still apply for a concealed weapon permit for several reasons. The Louisiana permit can be used to purchase a firearm due to it being National Instant Criminal Background Check System (NICS) compliant. Also, there are reciprocity agreements with other states that allow concealed carry in those states with a Louisiana permit.

SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Staff Director

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

NOTE: To the extent that the legislature continues to fund activities in State Police supported by these revenues at the same or a diminished level in subsequent fiscal years, the funding sources supporting the base expenditures must be replaced by SGF or another revenue source to supplant the loss of statutory dedication expenditures. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

NOTE: DPS reports that direct expenditures associated with the concealed weapon permit activity were approximately \$742,000 in FY 19 and approximately \$769,000 in FY 18. There are currently six (6) filled civilian positions, one (1) trooper, two (2) wage employees, and two (2) students. To the extent that demand for concealed carry permits were to diminish with enactment of proposed law, the workload necessitated by this activity is assumed to decrease proportionately (see discussion in Revenue Explanation). DPS reports that it would seek to reassign T.O. positions from this section to other needed duties within State Police in the event of a workload decrease.

REVENUE EXPLANATION CONTINUED FROM PAGE ONE

Louisiana Public Defender Board

The proposed law may result in an indeterminable decrease of Local Funds revenue received by district public defender offices to handle cases associated with a failure to have a permit to carry a concealed handgun. District offices are owed a \$40 fee per application for public defense services and defendants are assessed a \$45 special court cost for every conviction or nolo contendere plea. It is unclear how many of the 300 concealed handgun related cases handled by the public defenders annually are solely the result of an illegal carrying a concealed weapon charge only, and how many are in conjunction with other charges. Therefore, the net impact on revenues is likely a decrease but indeterminable.

Other entities receive a portion of fees paid upon conviction of possession of a concealed firearm, and elimination of the requirement to carry a concealed handgun permit may result in decreased SGR and LF revenues to support courts, crime labs, etc. The total loss of revenues for the associated entities is indeterminable.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
Staff Director