

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 280** HLS 14RS 926

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 4, 2014 8:08 AM	<b>Author:</b> IVEY
<b>Dept./Agy.:</b> Public Safety	<b>Analyst:</b> Matthew LaBruyere
<b>Subject:</b> Concealed Handgun Permits	

WEAPONS/FIREARMS OR DECREASE SD RV See Note Page 1 of 1  
Provides reduced fees for concealed handgun permits for veterans

Present law provides for the issuance of concealed handgun permits and establishes qualifications for the issuance of a permit. Provides that the term of a concealed handgun permit is five years and the fee for the issuance of the permit is \$25 per year for a total fee of \$125. Proposed law retains present law for non-veterans and provides for a reduced annual fee of \$12.50 per year for a total fee of \$62.50 for veterans.

Present law provides that the term of the permit shall be for the life of the permit holder, and provides that an applicant for the permit shall prepay present law fees for a total of 20 years at the time the application is made. Proposed law retains present law and adds that the permit fee for a veteran shall be prepaid for a total of 10 years.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$20,000	\$0	\$0	\$0	\$0	\$20,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>

  

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law will require a one time modification of the Concealed Handgun Permit System. The Department of Public Safety (DPS) estimates the cost of outsourcing system development at \$20,000. System development will involve analysis, design, programming, and testing.

The DPS reports the proposed law will require 30 hours of overtime for the Information Services Section at \$32 per hour (\$32 x 30 hours = \$960) plus Medicare expenses of \$14 (\$960 x 1.45%), for a total expenditure of \$974. The legislation will require programming and database modifications performed by an IT Applications Programmer Analyst II for development and changes to the DPS Fund Collection System interface. The Legislative Fiscal Office believes that additional IT work associated with this legislation will be incremental in nature, and that the Department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted requiring programming efforts, the Department may require additional resources.

**REVENUE EXPLANATION**

The proposed legislation will result in an indeterminable revenue decrease in the statutorily dedicated Concealed Handgun Permit Fund. It is unknown how many veterans will apply for a concealed permit. However, for illustrative purposes this bill could result in \$38,000 in lost revenues in year 1 and \$22,000 in subsequent fiscal years. According to the Department of Veterans Affairs, there are approximately 319,000 honorably discharged veterans in the state that make up approximately 7% of the state population. According to the Department of Public Safety there were 26,561 concealed handgun permits issued in 2013, of which 3.4% (903) were lifetime permits. To the extent the veteran population of 7% is applied to the number of permits issued, 1,860 permits (26,651 permits issued x 7% veterans population) would be issued to veterans in FY 15 at one-half the cost. Of those 1,860 permits, 1,797 permits (1,860 veterans permits x 96.6% 5 year permit applicants) would be 5 year permits and 63 permits (1,860 veterans permits x 3.4% lifetime permit applicants) would be lifetime permits. The decrease in revenue would be approximately \$38,000 in year 1 and \$22,500 in the subsequent years.  
Lifetime permits: 63 permits x \$250 (one time) = \$15,750  
5 year permits: 1,797 permits x \$12.50 (annually) = \$22,463

The subsequent years may see further decreases in revenues to the extent more veterans apply for concealed permits. The number of permits issued will depend on how many veterans apply for either a lifetime or 5 year permit.

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|---|--|--------------------------------|--|
| <input type="checkbox"/> Senate   | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |  |                                | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Red. {H & S}                    |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |  |                                | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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