

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2014	1:51 PM	Author: IVEY
Dept./Agy.: Public Safety		Analyst: Matthew LaBruyere
Subject: Concealed Handgun Permits		

WEAPONS/FIREARMS

EN DECREASE SD RV See Note

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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 active duty, reserve members, and veterans of the armed forces of the United States.

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 active duty, reserve members, and veterans of the armed forces of the United States shall be prepaid for a total of 10 years. Effective July 4, 2014.

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
Annual Total	\$20,000	\$0	\$0	\$0	\$0	\$20,000

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
Annual Total						

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 active duty members, reserve members, and veterans of the armed forces will apply for a concealed permit. At this time the LFO cannot determine how many members of the armed forces (active and reserve) are from Louisiana. However, 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. There are approximately 11,500 members of the LA National Guard (LANG) that make up approximately 0.2% of the state population.

For illustrative purposes this bill could result in at least \$39,000 in lost revenues in year 1 and at least \$23,200 in subsequent fiscal years. 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 veterans and LANG population of 7.2% is applied to the number of permits issued, 1,919 permits (26,651 permits issued x 7.2% veterans & LANG population) would be issued to veterans and LANG in FY 15 at one-half the cost. Of those 1,919 permits, 1,854 permits (1,919 veterans & LANG permits x 96.6% 5 year permit applicants) would be 5 year permits and 65 permits (1,919 veterans & LANG permits x 3.4% lifetime permit applicants) would be lifetime permits. The decrease in revenue would be at least \$39,000 in year 1 and at least \$23,200 in the subsequent years for veterans who receive concealed handgun permits. **(CONTINUED ON PAGE 2)**

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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. Reduc. {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} |

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

REVENUE EXPLANATION CONTINUED FROM PAGE ONE:

Revenues will further decrease for each active duty and reserve member that applies for and receives a concealed handgun permits at one-half the cost.

Lifetime permits: 65 permits x \$250 (one time) = \$16,250
5 year permits: 1,854 permits x \$12.50 (annually) = \$23,175

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

Senate

Dual Referral Rules

House

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

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

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

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

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

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