

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0259
Prime Sponsor(s): Rep. Nordberg; Van Winkle
 Sen. Holbert

Date: February 2, 2015
Bill Status: House SVMA
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BILL TOPIC: CONCEALED HANDGUN CARRY NO PERMIT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
Cash Funds	at least (\$157,564)	at least (\$157,564)
State Expenditures	at least (\$130,803)	at least (\$131,211)
Cash Funds	at least (113,588)	at least (113,588)
Centrally Appropriated Costs**	at least (17,215)	at least (17,622)
FTE Position Change	at least (1.0 FTE)	at least (1.0 FTE)
TABOR Set Aside	at least (\$157,564)	at least (\$157,564)
Appropriation Required: (\$113,588) - Department of Public Safety (FY 2015-16).		

* This summary shows changes from current law under the bill for each fiscal year. Parentheses indicate a decrease in funds.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Current law prohibits both carrying a concealed weapon without a permit and carrying a weapon on school, college, or university grounds, with certain exceptions. This bill expands the exceptions to include any person who is at least 21 years old and who may legally possess a handgun under United States and Colorado law. Under House Bill 15-1152, anyone who may legally possess a handgun and who carries a concealed handgun has the same rights and is subject to the same limitations as a person with a concealed handgun permit.

Background

Under current law, unlawfully carrying a concealed weapon is a class 2 misdemeanor and unlawfully carrying a weapon on school, college, or university grounds is a class 6 felony. This bill does not repeal the process for obtaining a concealed carry permit. The fiscal note assumes that most persons will continue to apply for these permits in order to be eligible for reciprocal rights in other states. Colorado is one of at least 32 states that have reciprocal agreements to honor concealed carry permits issued in another state.

Assumptions

The fiscal note makes the following assumptions when estimating the revenue and expenditure impacts of the bill:

- at least 10 percent of persons with existing concealed carry permits will choose not to apply for or renew permits; and
- implementation of the bill will begin July 1, 2015.

State Revenue

Beginning in FY 2015-16, this bill will reduce state cash fund revenue by at least \$157,564 per year. New applicants pay a fee of \$52.50 for a concealed carry permit, which includes \$13 for the permit and \$39.50 for a fingerprint background check. Renewal applicants are not required to undergo a fingerprint background check and only pay the \$13 fee. Based on 2014 data, the fiscal note assumes a reduction of at least 2,529 new applications and 1,907 renewal applications.

TABOR Impact

This bill decreases state revenue from fees, which will reduce the amount required to be refunded under TABOR.

State Expenditures

This bill will reduce state cash fund expenditures in the Department of Public Safety by at least \$130,803 and 1.0 FTE in FY 2015-16 and by at least \$131,210 and 1.0 FTE in FY 2016-17. Table 1 and the discussion that follows describe the reduction in costs.

Table 1. Reduction in Expenditures Under HB15-1152		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	(\$45,974)	(\$45,974)
FTE	(1.0 FTE)	(1.0 FTE)
Operating Expenses and Capital Outlay Costs	(950)	(950)
Fingerprint Background Check Costs	(66,664)	(66,664)
Centrally Appropriated Costs*	(17,215)	(17,622)
TOTAL	(\$130,803)	(\$131,210)

* Centrally appropriated costs are not included in the bill's appropriation.

Personal services and operating costs. This bill will reduce workload for processing concealed carry permits and the portion of those requests that also require a fingerprint background check. Associated operating costs equal to 1.0 FTE are also reduced.

Fingerprint background check costs. New concealed carry permit applicants are required to undergo a fingerprint background check. Reduced costs per applicant include a \$17.25 fee paid to the federal government to access federal databases, a \$0.58 fee in postage costs, an \$0.88 fee to access the Colorado Crime Information Center, and a \$7.65 fee to process and store images in the Automated Fingerprint Identification System.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Cost Reductions Under HB15-1152*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$8,018)	(\$8,018)
Supplemental Employee Retirement Payments	(3,563)	(3,934)
Indirect Costs	(5,634)	(5,670)
TOTAL	(\$17,215)	(\$17,622)

*More information is available at: <http://colorado.gov/fiscalnotes>

Judicial Department. Because fewer people can be charged with a criminal offense for carrying a concealed handgun or carrying a handgun on school grounds, the bill will reduce the trial caseload of the Judicial Department. However, the reduction is expected to be minimal because the majority of individuals who are charged with carrying a concealed weapon or carrying a weapon on school grounds are also subject to other charges.

Higher educational institutions and the Department of Law. If higher educational institutions must update their security and disciplinary policies and procedures as a result of the bill, workload will increase for both the institutions and the Department of Law. However, this fiscal note assumes that institutions of higher education and the Department of Law can accomplish this increased workload within existing appropriations.

Local Government Impact

The bill will reduce fee revenue and workload for county sheriffs. Currently, individuals who apply for a concealed carry permit pay county sheriffs a fee of no more than \$100 in order to cover any administrative and training costs associated with granting the permit. Individuals who apply to renew a concealed carry permit pay a fee of no more than \$50. Assuming that the number of individuals who apply for or renew concealed carry permits decreases by at least 10 percent as a result of this bill, fee revenue for county sheriffs will also decrease, as will the workload related to processing applications. The amount of the reduction will vary across counties depending on differences in the decline of applications and in the fees charged by sheriffs.

The bill has the potential to reduce the number of individuals incarcerated in county jails and the workload of district attorneys. The penalty for a class 2 misdemeanor is 3 to 12 months imprisonment in a county jail, a fine of \$250 to \$1,000, or both. Because the courts have the discretion of incarceration or imposing a fine, the precise impact at the local level cannot be determined. The cost to house an offender in county jails varies from about \$53 to \$114 per day. For the current fiscal year, the state reimburses county jails at a daily rate of \$52.74 to house state inmates. It is assumed that the impact of this bill will be minimal.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, the Department of Public Safety requires a reduction of \$113,588 cash funds and 1.0 FTE.

State and Local Government Contacts

Corrections
Education
Municipalities

Counties
Higher Education
Public Safety

District Attorneys
Judicial
Sheriffs