

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 12-0455
Prime Sponsor(s): Rep. Waller

Date: February 7, 2012
Bill Status: House Judiciary
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TITLE: CONCERNING RELIEVING THE COLORADO BUREAU OF INVESTIGATION OF ITS STATUTORY DUTIES AS A POINT OF CONTACT FOR THE NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM IN CASES OF FIREARM TRANSFERS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
Cash Funds	(\$306,071)*	(\$310,315)*
State Expenditures	(\$1,852,948)	(\$1,903,335)
General Fund	(1,546,877)	(1,593,020)
Cash Funds	(306,071)	(310,315)
FTE Position Change	(26.4) FTE	(26.4) FTE
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

**This estimate is based on the expenditures appropriated to the department.*

Summary of Legislation

This bill removes the requirement that the Colorado Bureau of Investigation (CBI) in the Department of Public Safety perform background checks for the transfer of firearms. Instead, a gun show vendor is required to contact the Federal Bureau of Investigation (FBI) to complete a background check and to verify a prospective owner's identity by checking his or her photo identification. Sheriff offices are also directed to contact the FBI directly for background checks for individuals seeking concealed carry permits.

Background

Under the federal Brady Handgun Violence Protection Act of 1993, a criminal background check must be performed each time an individual initiates a firearms purchase from a federally licensed firearms dealer. Established in 1994, the InstaCheck unit of the CBI serves as the state point-of-contact for the federal National Criminal Background Check (NICS) program. The NICS is a national system run by the FBI which checks available criminal background records in a variety of databases including the National Crime Information Center, the Interstate Identification Index, and the NICS Index. These databases are populated by information from local, state, federal, and international law enforcement agencies.

As a state point-of-contact, CBI staff access NICS electronically in place of FBI personnel to perform background checks for firearms transfers and on behalf of sheriffs for concealed carry permit applications. CBI staff also check three state databases not currently included in NICS: the Colorado Department of Motor Vehicles, the Colorado Crime Information Center, and the Integrated Colorado Online Network.

State Revenue

By eliminating the CBI's InstaCheck Unit, this bill will decrease state cash fund revenue from processing concealed carry permit-related background checks by \$306,071 in FY 2012-13 and \$310,315 in FY 2013-14.

This estimate is based on the assumption that the bill will be signed into law or become law without the Governor's signature by May 1, 2012, and that it will take 60 days to complete the layoff procedure for the 4.4 FTE that currently support background checks for concealed carry permits.

Currently, individuals who apply for a concealed carry permit are referred to the CBI by the applicable sheriff for a background and fingerprint check. Each individual must pay a \$52.50 fee to the CBI to conduct the check. In addition, individuals who renew a concealed carry permit must pay a \$13 fee to the CBI. Cash fund revenues are credited to the CBI Identification Unit Fund and used to pay staff and operating costs for concealed carry permit-related background checks.

State Expenditures

Beginning in FY 2012-13, this bill will decrease state expenditures in the CBI by \$1,903,335 and 26.4 FTE per year. In FY 2012-13 only, one-time costs of \$50,387 are incurred to provide for annual leave payouts and moving expenses.

Table 1 and the discussion that follows address the cost reductions under the bill.

Table 1. Expenditures Under HB 12-1048		
Cost Components	FY 2012-13	FY 2013-14
Personal Services	(\$1,323,366)	(\$1,323,366)
FTE	(26.4)	(26.4)
Operating Expenses	(360,075)	(360,075)
Centrally Appropriated Benefit Costs	(168,431)	(168,431)
One-time Moving and Leave Payout Costs	50,387	-
Leased Space	(51,463)	(51,463)
TOTAL	<u>(\$1,852,948)</u>	<u>(\$1,903,335)</u>
General Fund	(1,546,877)	(1,593,020)
Cash Funds	(306,071)	(310,315)

Personnel services and operating costs. Based on the assumption that the bill will be signed into law or become law without the Governor's signature by May 1, 2012, and that it will take 60 days to complete the layoff procedure for the 26.4 FTE in the InstaCheck unit of the CBI. Cost reductions are shown for a full fiscal year, beginning on July 1, 2012. However, it should be noted that it may take longer for the layoff process to be completed, and should this occur, the full savings will not be realized in the first fiscal year. Personal services costs will be reduced by \$1.3 million, and operating costs will be reduced by \$360,075.

Centrally appropriated benefits costs. A total of \$168,431 will be reduced from health, life, and dental, short-term disability, retirement benefit contributions, and shift differential payments.

One-time moving and leave payout costs. The CBI will expend an estimated \$25,387 in annual leave balance payouts to employees being laid off and will incur equipment moving expenses of \$25,000.

Leased space. Leased space payments will be reduced by \$51,463 per year.

Local Government Impact

Overall, this bill is anticipated to increase workload for county sheriff offices that must develop a process and begin to conduct background and fingerprint checks for individuals who apply for or renew a concealed carry permit. As of this writing, no information about potential costs was available.

State Appropriations

For FY 2012-13, the Department of Public Safety requires the following reductions in appropriations:

- A total of \$1,297,979, including \$1,074,597 General Fund and \$223,382 cash funds and 26.4 FTE for personal services;
- A total of \$335,075, including \$274,571 General Fund and \$60,504 cash funds for operating expenses;
- A total of \$115,798, including \$100,744 General Fund and \$15,054 cash funds health, life, and dental;
- A total of \$592 cash funds for short-term disability;
- A total of \$23,743, including \$20,102 General Fund and \$3,641 cash funds for amortization equalization disbursement payments;
- A total of \$18,945, including \$16,047 General Fund and \$2,898 cash funds for supplemental amortization equalization disbursement payments;
- A total of \$9,353 General Fund for shift differential; and
- A total of \$51,463 General Fund for leased space.

Departments Contacted

Joint Budget Committee

Judicial

Public Safety