



**Colorado
Legislative
Council
Staff**

SB16-017

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0006
Prime Sponsor(s): Sen. Neville T.
Rep. Neville P.

Date: May 17, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: CONCEALED HANDGUN CARRY WITHOUT PERMIT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	<u>at least (\$112,485)</u>	<u>at least (\$112,485)</u>
General Fund	(17,290)	(17,290)
Cash Funds*	(95,195)	(95,195)
State Expenditures	<u>at least (\$126,379)</u>	<u>at least (\$126,549)</u>
Cash Funds*	(106,550)	(106,550)
Centrally Appropriated Costs	(19,829)	(19,999)
TABOR Impact	at least (\$112,485)	at least (\$112,485)
FTE Position Change	(0.9) FTE	(0.9) FTE
Appropriation Required: (\$106,550) - Department of Public Safety (FY 2016-17).		
Future Year Impacts: Ongoing reduction in state revenue and expenditures.		

* A portion of these are pass through moneys to the federal government, treated as reappropriated funds. See the State Revenue and State Appropriations sections.

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 those exceptions to include any person who is at least 21 years of age and who may legally possess a handgun under federal and Colorado law. Under Senate Bill 16-017, any person 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. In calendar year 2015, a total of 37,400 concealed carry permits were processed, including 13,304 renewals and 24,096 new applications.

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 renew a permit and new applications will be reduced by 10 percent; and
- implementation of the bill will begin July 1, 2016.

State Revenue

Beginning in FY 2016-17, this bill will reduce state cash fund revenue by at least \$112,485 per year. This assumes that 2,410 persons will no longer pay a \$39.50 fee for a fingerprint background check as new applicants, and that 1,330 existing permit holders will choose not to renew their permits and will no longer pay a \$13 renewal fee. Renewal fees are credited to the General Fund. Fees collected from new applicants are credited as \$22.25 to the CBI Identification Unit Fund and \$17.25 in reappropriated funds.

TABOR Impact

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

State Expenditures

This bill will reduce state cash fund expenditures in the Department of Public Safety by at least \$126,379 and 0.9 FTE in FY 2016-17 and by at least \$126,549 and 0.9 FTE in FY 2017-18. Table 1 and the discussion that follows describe the reduction in costs.

Table 1. Reduction in Expenditures Under SB16-017		
Cost Components	FY 2016-17	FY 2017-18
Personal Services	(\$42,167)	(\$42,167)
FTE	(0.9)	(0.9)
Operating Expenses and Capital Outlay Costs	(855)	(855)
Fingerprint Background Check Costs	(63,528)	(63,528)
Centrally Appropriated Costs*	(19,829)	(19,999)
TOTAL	(\$126,379)	(\$126,549)

* 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 0.9 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. The fiscal note assumes a reduction of 2,410 fingerprint background checks per year.

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.

Cost Components	FY 2016-17	FY 2017-18
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$7,217)	(\$7,217)
Supplemental Employee Retirement Payments	(3,608)	(3,778)
Indirect Costs	(9,004)	(9,004)
TOTAL	(\$19,829)	(\$19,999)

*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 jail, the workload of district attorneys, and workload in the Denver County Court. 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 was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on March 7, 2016.

State Appropriations

For FY 2016-17, the bill includes a reduction of \$166,608 cash funds and 1.4 FTE to the Department of Public Safety. Based on new information, the bill requires a reduction of \$106,550, including \$41,573 in reappropriated funds and \$64,977 from the CBI Identification Unit Fund, and 0.9 FTE.

State and Local Government Contacts

Corrections	Counties	District Attorneys
Education	Higher Education	Judicial
Municipalities	Office of Information Technology	Public Safety
Sheriffs		