

*Colorado Legislative Council Staff*

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 02-1028

**Date:** April 3, 2002

**Prime Sponsor(s):** Rep. Tochtrop  
Sen. Chlouber

**Bill Status:** House Civil Justice and Judiciary  
**Fiscal Analyst:** Geoff Barsch (303-866-4102)

**TITLE:** CONCERNING PERMITS THAT AUTHORIZE CARRYING OF CONCEALED HANDGUNS IN AREAS OTHER THAN PUBLIC KINDERGARTEN THROUGH TWELFTH-GRADE SCHOOL ENVIRONMENTS ISSUED TO PERSONS WITH HANDGUN TRAINING WHO PASS BACKGROUND CHECKS THAT INCLUDE FINGERPRINTING TO ENSURE SUCH PERSONS ARE NOT A DANGER, AND, IN CONNECTION THEREWITH, IDENTIFYING THE ISSUANCE OF PERMITS THAT AUTHORIZE CARRYING OF CONCEALED HANDGUNS AS AN ISSUE OF STATEWIDE CONCERN AND MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2002/2003</b>	<b>FY 2003/2004</b>
<b>State Revenues</b>		
Cash Fund	\$386,000	\$193,000
Cash Fund Exempt	424,600	212,300
<b>State Expenditures</b>		
Cash Fund	\$360,671	\$235,981
Cash Fund Exempt	\$424,600	212,300
<b>FTE Position Change</b>	3.4 FTE	1.7 FTE
<b>TABOR Refund from General Fund</b>	\$0	\$405,300
<b>Effective Date:</b> July 1, 2002		
<b>Appropriation Summary for FY 2002/2003:</b> \$360,671 CF & 3.4 FTE - Department of Public Safety		
<b>Local Government Impact:</b> See Local Government Impact section		

*\* Under current law, the state is required to refund 105 percent of the amount estimated to be refunded by the six-tier sales tax refund mechanism.*

**Summary of Legislation**

This bill states that the issuance of concealed handgun permits is a matter of statewide concern and directs county sheriffs to issue permits pursuant to the bill's provisions.

The bill contains the following provisions concerning **applications** for permits:

- specifies the qualifications for receiving a permit;
- specifies the documents, including an application, a permit fee, and a photograph, that an applicant must submit to a sheriff to apply for a permit; and

- establishes procedures for renewing a permit, including the documents required and the fee charged.

The bill contains the following provisions concerning the **issuance** of permits:

- specifies the minimum contents of the permit and how the permit may be used;
- directs the sheriffs to ensure all permits contain the same information — including a photograph — and are the same size and color;
- establishes procedures and criteria for sheriffs to issue emergency permits to any person who the sheriff determines is in immediate danger;
- allows a sheriff to deny the issuance of a permit if the sheriff has documentary evidence that the person would be a danger to self or others;
- specifies the procedures for denying a permit, including judicial review of the denial;
- specifies that the sheriff bears the burden of proving that he or she appropriately denied the permit.

The bill contains the following provisions related to conducting background checks:

- requires the CBI to send one set of fingerprints to the Federal Bureau of Investigation (FBI) for processing and to process the other set of fingerprints, including a check of the National Instant Criminal Background Check System (NICS); and
- requires the CBI to destroy the fingerprints immediately upon determining whether the applicant meets the permit requirements.

The bill contains the following general provisions related to concealed handgun permits:

- specifies conditions for invalidating or suspending a permit;
- requires each sheriff to report annually to the General Assembly information concerning permit applications and the number of permits issued;
- exempts specified peace officers, retired peace officers, and law enforcement officers from other states from the requirement to obtain a permit;
- recognizes as valid any permit issued by another state that recognizes the validity of Colorado permits;
- specifies that a permit does not authorize a permittee to carry a concealed handgun in areas where carrying is prohibited by federal law, state law, or on school grounds; and
- provides that permits issued prior to July 1, 2002, shall expire on June 30, 2003, or the date specified in the permit, whichever occurs first.

**State Revenues**

The bill will increase the revenue collected by the CBI in FY 2002-03 and beyond. The CBI will collect \$42 for each permit application. Of the total, \$14 is cash funds for the CBI fingerprint fee, \$6 is cash funds for the NICS fee, and \$22 is cash funds exempt for the FBI fingerprint fee. The CBI anticipates approximately 19,300 applications in the first year, resulting in \$386,000 cash funds, and \$424,600 cash funds exempt revenue. Applications are expected to decline in the second and subsequent years as demand for concealed handgun permits is met. This fiscal note assumes that second year applications will be roughly 50 percent of the initial total, or 9,650 applications, resulting in \$193,000 cash funds and \$212,300 cash funds exempt revenue.

Since this bill creates a class 1 petty offense for failure to produce a permit upon request or for failure to notify local law enforcement of a lost permit or change of address, there may be an impact to the state General Fund associated with fines assessed for violation. The penalty for a class 1 petty offense is a fine of up to \$500, a jail term of up to six months, or both. Fine revenue not otherwise appropriated is deposited into the state General Fund. Courts have discretion to impose a fine, a prison sentence, or both. Because charges for failure to produce a permit are dismissed upon proof of having a permit, **no additional fine revenue is anticipated as a result of this bill.**

**State Expenditures**

The CBI will require \$360,671 cash funds and 3.4 FTE for FY 2002-03 to process 19,300 background checks. This will require 0.9 FTE Fingerprint Examiner and additional analysis equipment (a three year lease for equipment is assumed). Additionally, the CBI will require 2.5 FTE Data Specialist to perform background checks, review criminal history results, update criminal records, and maintain a listing of valid permit holders. Also required is maintenance for the fingerprint analysis equipment and the Colorado Crime Information Center (CCIC) computer. As noted above, 9,650 applications are expected in year two. Table 1 details program costs.

<b>Table 1. Costs of Processing Background Checks</b>		
	<b>FY 2002-03</b>	<b>FY 2003-04</b>
Personal Services	\$107,417	\$54,036
Operating Expenses	23,198	11,598
Capital Outlay	10,045	0
Workstation Lease & Maintenance	146,092	133,387
CCIC Maintenance	73,919	36,960
<b>Total Expenses</b>	<b>\$360,671</b>	<b>\$235,981</b>

The bill also requires an applicant to demonstrate competency with a handgun. An applicant can satisfy this requirement through completion of a handgun training class certified by the National Rifle Association or the Peace Officers Standards and Training (POST) Board. The Post Board does not currently certify curriculum or instructors, and would require \$22,374 and 0.5 FTE to do so.

Because the bill does not require the POST Board to certify curriculum or instructors, no appropriation is required.

### **Expenditures Not Included**

Pursuant to the Joint Budget Committee's budget policies, the following expenditures have not been included in this fiscal note:

- health and life insurance costs (\$9,571);
- short-term disability costs (\$626); and
- indirect costs (\$9,668).

### **Local Government Impact**

The bill directs sheriffs to establish new and renewal permit fee amounts based on the actual costs of issuing and renewing the permits, not to exceed \$100. Assuming 19,300 applications in the first year, up to \$1,930,000 could be collected statewide. Sheriffs will also be responsible for collecting and forwarding to the CBI \$42 for fingerprint processing.

The bill may also have a fiscal impact on local governments due to an increase in class 1 petty offense convictions and the associated jail sentences. While the daily cost to house an offender in a county jail facility varies, the FY 2001-02 rate the state pays local jails for holding state inmates is \$51.65 per offender per day. The cost for an offender convicted of a class 1 petty offense could be as much as \$9,297. Because the court has the discretion to impose a fine, a jail sentence, or both, any cost to local governments cannot be determined at this time.

### **State Appropriations**

This fiscal note indicates that the Department of Public Safety, Colorado Bureau of Investigation, will require a cash fund appropriation of \$360,671 and 3.4 FTE for FY 2002-03.

### **Departments Contacted**

Judicial      Law      Public Safety