

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1118-04
Bill No.: SCS for HCS for HB Nos. 294, 123, 125, 113, 271 & 215
Subject: Firearms and Fireworks; Licenses - Miscellaneous
Type: Original
Date: April 28, 2011

Bill Summary: This proposal changes various statutes regarding firearms.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Up to \$17,940)	(Up to \$13,940)	\$0
Total Estimated Net Effect on General Revenue Fund	(Up to \$17,940)	(Up to \$13,940)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	Minimal	Minimal	Minimal

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Director's Office** and **Highway Patrol** as well as and the **Office of Prosecution Services** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Revenue (DOR)** state the bill has the following changes;

Section 302.181 - The proposed section requires that a nondriver license with a Concealed Carry Weapon (CCW) endorsement be issued an expiration date equal to 3-years from the issue date of the CCW certificate. This proposal also changes the fee for a nondriver issued for a three year period to \$3.00. The proposed changes require the Driver License Bureau to draft of updates to website information on CCW, update office procedures, work with Sheriff's Association to ensure all Sheriff's are notified of changes, and development of the Missouri Electronic Driver License system change requirements documents to define changes to minimum age and issuance periods for a concealed carry endorsement and completion of end-user testing by our internal staff.

Section 571.101.2 proposes a change to the minimum age requirement for a certificate of qualification for a concealed carry endorsement to eighteen years of age for all applicants. The MEDL system would have to be modified to change the age edit for a concealed carry endorsement from twenty-three to eighteen.

DOR will also need to update our web site information regarding concealed carry endorsement issuance.

DOR will need to coordinate information and changes to all law enforcement. A more detailed effort will be coordinated with the Missouri Sheriff's Association, since the Sheriff agencies actually approve and issue the CCW certificate.

ASSUMPTION (continued)

DOR's Driver License Bureau (DOR-DLB) states the proposed changes will require:

- Draft updates to web site information on CCW. Cost Unknown.
- Updating office procedures. Cost unknown.
- Work with Sheriff's Association to ensure all Sheriff Departments are notified of changes. Cost unknown.
- Development of Missouri Electronic Driver License system change requirements documents to define changes to minimum age and issuance periods edits for a concealed carry endorsement and completion of end-user testing by our internal staff. This will require overtime from existing staff in order to perform the testing.
- Due to the scheduled transition to new hardware and updated software in our license offices scheduled to occur during FY 2012 there is an increased amount of programming and testing which must occur to program, test and implement changes to our legacy system and new license system.

DOR-DLB assumes the following administrative impact in FY 12:

Administrative Analyst -	240 hrs @ \$24 (1 ½) per hr	\$5,760
Management Analysis Specialist II -	260 hrs @ \$23 per hr	\$5,980
Revenue Band Manager -	10 hrs @ \$30 per hr	<u>\$ 300</u>
	Total =	\$12,040

Cost for Personnel Services Bureau to update web site and related forms for CCW information changes:

<u>FY 12</u>		
Administrative Analyst III	10 hrs@ \$22 per hr	\$ 220
2 Management Analysis Specialist I -	80 hrs@ \$21 per hr	<u>\$1,680</u>
	Total	\$1,900

Section 302.181

The proposed changes will require:

- Drafting of updates to website information on CCW.
- Updating office procedures
- Work with Sheriff's Association to ensure all Sheriff's are notified of changes.

Development of Missouri Electronic Driver License system change requirements documents to define changes to minimum age and issuance periods for a concealed carry endorsement and completion of end-user testing by our internal staff.

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ASSUMPTION (continued)

FY 13

Administrative Analyst - 240 hrs @ \$24 (1 ½) per hr	=	\$5,760
Management Analyst Specialist II - 260 hrs @ \$23 per hr	=	\$5,980
Revenue Band Manager - 10 hrs @ \$30 per hr	=	<u>\$ 300</u>
		Total = \$12,040

FY 13

Administrative Analyst III 10 hrs@ \$22 per hr	=	\$ 220
2 Management Analysis Specialist I - 80 hrs@ \$21 per hr	=	<u>\$1680</u>
	Total	\$1,900

OA - Information Technology:

The Department's response to a proposal similar to or identical to this one in a previous session indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$4,000.

This legislation will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over the Counter-OTC) software and supporting applications to change the minimum age of a concealed carry endorsement.

MEDL Contractor Cost for Programming

FY 12

40	Estimated hours for project completion
<u>X \$100</u>	Hourly rate for an Over the Counter (OTC) contractor
\$4,000	

DOR states the change in the minimum age requirement from 23 to 18 may increase the volume of CCW endorsements which will increase revenue for the duplicate license fee; however, the number of applicants is unknown, but expected to be minimal.

In summary, DOR assumes an administrative cost of \$17,940 (\$12,040 + \$1,900 + \$4,000) in FY 2012 and \$13,940 (\$12,040 + \$1,900) in FY 2013. DOR states it is unknown, based on other legislation and daily priorities, exactly if this extra time would be straight time hours or actual overtime hours.

ASSUMPTION (continued)

Oversight assumes DOR's administrative work related to this proposal could potentially be performed during working hours and therefore, would not create an additional fiscal impact to DOR. Therefore, Oversight will reflect the cost to DOR as 'Up to \$17,940' and 'Up to \$13,940'.

In response to a similar proposal from this year (HB 113), officials from the **Boone County Sheriff's Department** assumed the proposal could result in additional revenue for the county. This proposal would increase the number of eligible applicants; however, it is unknown and cannot be projected based on this change. It is not expected to be significant.

Applicants for a concealed carry permit must submit a nonrefundable fee not to exceed \$100 to the Sheriff to cover various costs included in the application process. **Oversight** assumes a minimal number of new applications will result from this bill and will reflect a 'Minimal' amount of fee revenue for the counties.

Officials from the **Department of Corrections (DOC)** state this proposal makes various firearms changes. Penalty provisions, the component of the bill to have potential fiscal impact for DOC, is for up to a class D felony.

Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase of direct offender costs either through incarceration (FY10 average of \$16.397 per offender, per day, or an annual cost of \$5,985 per inmate) or through supervision provided by the Board of Probation and Parole (FY10 average of \$3.92 per offender, per day or an annual cost of \$1,431 per offender).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders;
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence;
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another .

ASSUMPTION (continued)

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of the State Courts Administrator** assume the proposal would not fiscally impact the courts.

In response to a previous version of this proposal, officials from the **Missouri Senate** assumed the proposal would either have no fiscal impact to their agency or minimal costs which can be absorbed

In response to a previous version of this proposal, officials at the **Office of State Public Defender (SPD)** stated they cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime of fraudulent purchase of a firearm - a new Class D felony or possessing a firearm while also in possession of a controlled substance - a new unlawful use of a weapons charge.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

In response to a previous version of this proposal, officials from the **Office of Administration - Budget and Planning (BAP)** stated Section 144.064 prohibits a sales tax on firearms and ammunition that is higher than the sales tax levied on other sporting goods or hunting equipment. The current sales tax on firearms and ammunition is the same as the sales tax levied on other goods, therefore, there will be no fiscal impact as a result of this change.

Section 571.063 makes the crime of fraudulent purchase of a firearm a Class D felony. Any fines collected from those convicted of this crime would go directly to the local schools and would not have an impact on TSR. Budget and Planning defers to the Department of Corrections for an estimate of the cost of incarceration for those convicted of this crime.

ASSUMPTION (continued)

Oversight notes that Section 144.064 of this proposal would prohibit a sales tax rate on firearms or ammunition in excess of the sales tax rate on sporting goods and equipment, and hunting equipment. Oversight is not aware of any current or planned increases in the sales tax on any specific category of merchandise, and accordingly assumes there would be no impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Costs - Department of Revenue</u>			
Administrative costs to change concealed carry endorsements on driver's and non-driver's license and 3 year expiration time period	<u>(Up to \$17,940)</u>	<u>(Up to \$13,940)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(Up to \$17,940)</u>	<u>(Up to \$13,940)</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
COUNTIES			
<u>Income - to the Sheriff's Revolving Fund for expanding the concealed carry permit</u>	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>
ESTIMATED NET EFFECT TO COUNTIES	<u>Minimal</u>	<u>Minimal</u>	<u>Minimal</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

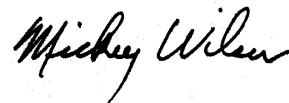
FISCAL DESCRIPTION

This act lowers the age at which a person can obtain a concealed carry endorsement from 23 to 18 years of age. This act also provides that a nondriver's license with a concealed carry endorsement expires three years from the date the certificate of qualification was issued by a sheriff beginning on January 1, 2013.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Office of the Attorney General
Department of Revenue
Office of Administration - Budget and Planning
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections
Missouri Senate
Boone County Sheriff



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Director
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