

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0353-01
Bill No.: HB 176
Subject: Firearms and Fireworks; Merchandising Practices
Type: Original
Date: January 15, 2015

Bill Summary: This proposal requires a three-day waiting period for delivery of a firearm after purchase at retail and a purchaser of a firearm at retail to view a video on gun violence prior to the purchase.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections (DOC)** state this bill, if passed into law, requires a three-day waiting period for delivery of a firearm after purchase at retail and a purchaser of a firearm at retail to view a video on gun violence prior to the purchase.

Based upon historical data, DOC assumes that approximately three offenders would be sentenced to supervision, either probation or incarceration, under this new legislation. DOC assumes that two of the offenders would receive probation and one would be incarcerated. Probationers would serve, on average, three years of probation. The average prison time served for these types of D felonies is 12 months. The FY14 average cost of supervision is \$6.72 per offender per day or an annual cost of \$2,453 per offender. The DOC cost of incarceration is \$16.725 per day or an annual cost of \$6,105 per offender.

The following factors contribute to DOC's 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.

In summary, supervision by the DOC would likely result in additional costs of probation or incarceration for each additional offender sentenced under this legislation. The DOC assumes a cost of \$9,176 in FY 2016 (1 in prison and 2 under probation), \$16,235 in FY 2017 (1 in prison and 4 under probation), and \$21,664 in FY 2018 (1 in prison and 6 under probation).

Oversight assumes the DOC could absorb these amounts within its current appropriation levels.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal would not have a measurable fiscal impact on their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs which are difficult to determine.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crimes of obtaining delivery of

ASSUMPTION (continued)

a firearm at a retail establishment by fraud or misrepresentation or false pretense - a new Class D felony. The bill also would make it a new Class D felony for a retailer who violates Section 571.084 which requires the retailer to show a video on gun violence prior to any sale of a firearm.

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 effective representation in all cases where the right to counsel attaches.

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

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

Officials from the **Department of Public Safety - Missouri Highway Patrol** and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond their current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that sell firearms would be required to follow the new laws, including the three day waiting period for the purchase of a firearm and the mandatory viewing of a video on gun violence prior to purchase. Any retailer, or any employee or agent of a retailer, who violates these provisions would be guilty of a class D felony.

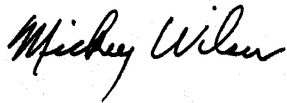
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Attorney General's Office
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections



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January 9, 2015

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January 15, 2015