



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0554
Prime Sponsors: Rep. Hanks

Date: February 2, 2022
Bill Status: House HHS
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Bill Topic: CONSTITUTIONAL CARRY OF A HANDGUN

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill grants the authority and limitations of a concealed carry permit to any person over 21 years old who is permitted to carry a handgun. It decreases state revenue and expenditures, and will decrease local revenue and impact local expenditures, on an ongoing basis beginning in FY 2022-23.

Appropriation Summary: For FY 2022-23, the bill requires a reduction in appropriations of \$603,900 to the Department of Public Safety.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1033

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue	Cash Funds	(\$603,900)	(\$678,250)
Expenditures	Cash Funds	(\$603,900)	(\$678,250)
	FTE Total	(5.6 FTE)	(6.3 FTE)
Transfers		-	-
Other Budget Impacts	TABOR Refund ¹	(\$558,900)	(\$627,625)

¹ Revenue passed through to the Federal Bureau of Investigation is not subject to the state's TABOR limit.

Summary of Legislation

The bill grants to any person, who is permitted to possess a handgun and is at least 21 years old, the authority to carry a concealed handgun without a permit, subject to the same limitations in current law. In addition, the bill makes the following changes to permits for carrying a concealed handgun:

- it extends the duration of existing permits from five years to the life of the permit holder;
- it eliminates temporary emergency permits and permit renewals; and
- it repeals the authority of local governments and state institutions of higher education to regulate the carrying of a concealed handgun.

A person may still obtain a permit to carry a concealed handgun for the purpose of carrying a concealed handgun in another state that recognizes permits issued in Colorado.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following sections outline data on crimes that are comparable to the offense in this bill and discuss assumptions on future rates of criminal convictions resulting from the bill.

Prior conviction data. This bill creates a new factual basis for the existing offense of unlawfully carrying a concealed weapon by repealing the requirement to carry a permit for a concealed handgun, a class 1 misdemeanor. From FY 2018-19 to FY 2020-21, 645 individuals have been convicted and sentenced for this offense. Of the persons convicted, 576 were male, 68 were female, and 1 did not have a gender identified. Demographically, 491 were White, 114 were Black/African American, 31 were Hispanic, 4 were Asian, 1 was American Indian, and 4 were classified as "Other." Because it is unknown how many of these individuals were permitted to possess a handgun, and because most individuals charged with this crime face additional charges, the fiscal note assumes that the bill will result in a minimal decrease in criminal cases.

Criminal justice impacts. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

Background and Assumptions

The Colorado Bureau of Investigation (CBI) in DPS conducts background checks for firearms purchases and permit applications. In calendar year 2021, the CBI processed 79,309 concealed carry permits, of which 33,670 were renewals. New applicants pay the state a fee of \$52.50, which includes a background check and fingerprint checks, and renewal applicants pay of \$13.00 for a background check only. Because the bill eliminates permit renewals by making permits valid for the life of the permit holder, the fiscal note assumes that permits renewals will cease beginning in FY 2022-23. Although concealed carry permits are no longer required under the bill, the fiscal note assumes that most individuals who would have applied for a permit will continue to do so in order to obtain

concealed carry privileges in states that honor Colorado permits. Colorado has established concealed carry reciprocity with 33 other states, including each state that it abuts. To estimate the bill’s fiscal impact, the fiscal note assumes that new permit applications will decrease by 10 percent starting on the bill’s effective date in FY 2022-23.

State Revenue

The bill decreases state revenue to the Department of Public Safety (DPS) by \$603,900 in FY 2022-23 and \$678,250 in FY 2023-24 and ongoing. Table 2 indicates the revenue reduction based on the estimated decrease in permit applications.

**Table 2
Fee Impact on Concealed Carry Permit Applications**

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2022-23	New Permit Application	\$52.50	4,000	(\$210,000)
	Permit Renewal	\$13.00	30,300	(\$393,900)
FY 2022-23 Total				(\$603,900)
FY 2023-24	New Permit Application	\$52.50	4,500	(\$236,250)
	Permit Renewal	\$13.00	34,000	(\$442,000)
FY 2023-24 Total				(\$678,250)

Of the \$52.50 new permit application fee, \$28.25 goes to the CBI Identification Unit Fund and \$11.25 is passed through to the Federal Bureau of Investigation (FBI). Revenue passed through to the FBI is not subject to the state’s TABOR limit. For new permit applications and renewals, \$13.00 goes to the Instant Criminal Background Check Cash Fund. Table 3 indicates the changes in cash fund revenue to these funds.

Table 3
Changes in Cash Fund Revenue Under HB 22-1033

Fiscal Year	Cash Fund	Fee per Application	Number Affected	Total Revenue Impact
FY 2022-23	Instant Criminal Background Check Cash Fund	\$13.00	34,300	(\$445,900)
	CBI Identification Unit Fund	\$28.25	4,000	(\$113,000)
	FBI Pass-through	\$11.25	4,000	(\$45,000)
FY 2022-23 Total				(\$603,900)
FY 2023-24	Instant Criminal Background Check Cash Fund	\$13.00	38,500	(\$500,500)
	CBI Identification Unit Fund	\$28.25	4,500	(\$127,125)
	FBI Pass-through	\$11.25	4,500	(\$50,625)
FY 2023-24 Total				(\$678,250)

State Expenditures

The bill decreases state expenditures in DPS by \$603,900 in FY 2022-23 and \$678,250 in FY 2023-24 from the various cash funds. The bill may also increase expenditures for institutions of higher education in FY 2022-23.

Department of Public Safety. Cash fund expenditures are expected to decrease by the same amounts as identified in the State Revenue section above. Expenditures include fingerprint background costs and the fee to access federal databases. In addition, CBI will require fewer staff to conduct fingerprint checks and run background checks. Based on existing appropriations, staff requirements for the CBI will decrease by 5.6 FTE in FY 2022-23 and 6.3 FTE in FY 23-24.

State Institutions of Higher Education. Expenditures may increase at state colleges and universities to review and revise campus policies, as necessary.

Other Budget Impacts

TABOR refunds. The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$558,900 in FY 2022-23 and \$627,625 in FY 2023-24 the amounts shown in the State Revenue section above. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

Local Government

The bill reduces fee revenue and workload for county sheriffs. Currently, an individual pays a fee of no more than \$100 to county sheriffs to apply for a new concealed carry permit and pays no more than \$50 to renew a concealed carry permit. Revenue from the fee is used to cover any administrative and training costs associated with granting the permit. Assuming that new applicants and renewals will decrease as a result of this bill, revenue and workload will decrease for sheriff departments. The amount of the reduction will vary by county depending on the decline in applications and the exact fees charged by county sheriffs. In addition, expenditures may increase in local governments to review and revise regulations in accordance with the bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires a reduction in appropriations to the Department of Public Safety by \$603,900 to the Instant Criminal Background Check Cash Fund and the CBI Identification Unit Fund, and a reduction of 5.6 FTE.

State and Local Government Contacts

Counties	Higher Education	Judicial
Municipalities	Public Safety	Sheriffs
Special Districts		