



**Colorado
Legislative
Council
Staff**

SB17-116

FISCAL NOTE

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

Drafting Number: LLS 17-0254

Date: February 13, 2017

Prime Sponsor(s): Sen. Neville T.
Rep. Van Winkle

Bill Status: Senate SVMA

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BILL TOPIC: CONCEALED HANDGUN CARRY WITHOUT A PERMIT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u>at least (\$264,389)</u>	<u>at least (\$264,389)</u>
General Fund	(79,963)	(79,963)
Cash Funds*	(184,426)	(184,426)
State Expenditures	<u>at least (\$275,436)</u>	<u>at least (\$275,436)</u>
Cash Funds*	(223,425)	(223,425)
Centrally Appropriated Costs	(52,011)	(52,011)
TABOR Impact	at least (\$183,849)	at least (\$183,849)
FTE Position Change	(2.0) FTE	(2.0) FTE
Appropriation Required: (\$223,425) - Department of Public Safety (FY 2017-18).		
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

This bill allows anyone 21 or older who is legally allowed to possess a handgun to carry a concealed handgun without a permit, including on school, college, or university grounds.

Background and Comparable Crime

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. Between January 2014 and December 2016, there were 562 cases of at least one conviction of unlawfully carrying a concealed weapon. This included 51 females and 511 males; of this number, there were 414 Caucasians, 93 African Americans, 35 Hispanics; 9 Asians; 8 American Indians; and 3 classified as other. During this same time frame, there were 36 cases with at least one conviction of unlawfully carrying a concealed weapon on school, college, or university grounds. This included 3 females and 33 males; of this number, there were 22 Caucasians, 7 African Americans, 4 Hispanic; 2 Asian; and 1 American Indian. It is unknown how many of these individuals would have otherwise been legally allowed to possess a handgun.

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 2016, a total of 61,505 concealed carry permits were processed, including 14,816 renewals and 46,689 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, 2017.

State Revenue

Beginning in FY 2017-18, this bill will reduce state revenue by at least \$264,389 per year.

Background checks. This analysis assumes that 4,669 persons will no longer pay a \$39.50 fee for a fingerprint background check as new applicants, and that 6,151 new and 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. Approximately \$80,500 of the revenue reduced by this bill is federal pass through moneys.

Criminal fines and court fees. This bill is anticipated to reduce state cash fund revenue by a minimal amount, credited to the Fines Collection Cash Fund in the Judicial Department. The fine penalty for a class 6 felony is \$1,000 to \$100,000; and the fine penalty for a class 2 misdemeanor is \$250 to \$1,000. Because the courts have the discretion of incarceration, imposing a fine, or both, the precise impact to state revenue cannot be determined. However, based on the low number of criminal fines imposed in 2016 and the assumption that few violations are affected by this bill, this analysis assumes any reduction in revenue is minimal.

TABOR Impact

This bill reduces state revenue from fees and fines, which will reduce the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. In years when the state collects revenue above the TABOR limit, the reduction in General Fund revenue has no net impact on the amount of money available in the General Fund for the budget, as both revenue to the General Fund and the refund obligation decrease by equal amounts. However, the reduction in cash fund revenue reduces the TABOR refund obligation, increasing the amount of money available in the General Fund for the budget on a dollar-for-dollar basis. In future years when the state does not collect revenue above the TABOR limit, the bill's impact on General Fund revenue will decrease money available for the General Fund budget.

State Expenditures

This bill will reduce state cash fund expenditures in the Department of Public Safety by at least \$275,436 and 2.0 FTE per year, beginning in FY 2017-18. Table 1 and the discussion that follows describe the reduction in costs.

Table 1. Reduction in Expenditures Under SB17-116		
Cost Components	FY 2017-18	FY 2018-19
Personal Services	(\$98,450)	(\$98,450)
FTE	(2.0)	(2.0)
Operating Expenses and Capital Outlay Costs	(44,435)	(44,435)
Fingerprint Background Check Costs	(80,540)	(80,540)
Centrally Appropriated Costs*	(52,011)	(52,011)
TOTAL	(\$275,436)	(\$275,436)

* 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 2.0 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 4,669 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.

Table 2. Centrally Appropriated Cost Reductions Under SB17-116*		
Cost Components	FY 2017-18	FY 2018-19
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$17,586)	(\$17,586)
Supplemental Employee Retirement Payments	(8,822)	(8,822)
Indirect Costs	(25,603)	(25,603)
TOTAL	(\$52,011)	(\$52,011)

*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.

Department of Corrections. To the extent that changing the factual basis for convictions of carrying a concealed weapon causes fewer individuals to be sentenced to a term of incarceration, costs for the department will decrease. Because it is not known how many individuals this bill applies to, the amount of any savings has not been estimated. This analysis assumes that any reduction in costs will be addressed through the annual budget process.

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 takes effect upon passage and applies to offenses committed on or after this date.

State Appropriations

For FY 2017-18, the bill requires a reduction of \$223,425, including \$80,540 in reappropriated funds and \$142,885 from the CBI Identification Unit Fund, and a reduction of 2.0 FTE.

State and Local Government Contacts

Corrections
Education
Municipalities
Sheriffs

Counties
Higher Education
Office of Information Technology

District Attorneys
Judicial
Public Safety