



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-0201	Date:	June 26, 2018
Prime Sponsors:	Sen. Neville T. Rep. Van Winkle	Bill Status:	Postponed Indefinitely
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Bill Topic: CONCEALED HANDGUN CARRY WITH NO PERMIT

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

This bill allowed individuals 21 years or older to carry a concealed handgun without a permit. The bill would have reduced state revenue, expenditures, and workload on an ongoing basis.

Appropriation Summary: For FY 2018-19, this bill reduces Department of Public Safety appropriations by \$224,676.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Table 1
State Fiscal Impacts Under SB 18-097**

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	at least (\$219,362)	at least (\$219,362)
Expenditures	Cash Funds	(\$224,676)	(\$224,676)
	Total FTE	(2.0 FTE)	(2.0 FTE)
Transfers		-	-
TABOR Refund		at least (\$219,362)	at least (\$219,362)

Summary of Legislation

This bill allows a person 21 years or older who is legally allowed to possess a handgun to carry a concealed handgun without a permit, but he or she is subject to the same rights and limitations as permit holders, including the prohibition on the carrying of a concealed weapon on public school grounds.

Comparable Crime

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 changes an element of the existing crime that creates a new factual basis for the offense. Under current law, it is a class 2 misdemeanor if a person knowingly carries a concealed weapon without a permit. It is a class 6 felony if a person knowingly and unlawfully carries a concealed weapon onto the grounds of any school, college, or university grounds. Between January 2015 and December 2017, there were 627 cases with at least one conviction of unlawfully carrying a concealed weapon without a permit. This includes 560 males, 66 females, and 1 unknown. Of this number, there were 466 Caucasians, 117 African Americans; 29 Hispanics; 8 Asians; 4 American Indians; 2 other; and 1 unknown. During the same period, there were 43 cases with at least one conviction of unlawfully carrying a concealed weapon on school grounds. These cases include 40 males and 3 females. Of this number, there were 29 Caucasians, 9 African Americans; 2 Hispanics; 2 Asians; and 1 American Indian. It is unknown how many of these individuals would have otherwise been legally allowed to possess a handgun.

Background and Assumptions

In calendar year 2017, a total of 51,030 concealed carry permits were processed, including 12,293 renewals and 38,737 new applicants. This bill does not remove 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. The fiscal note also makes the follow assumptions:

- at least 10 percent, or 1,229 people with existing concealed carry permits will choose not to renew a permit and new applications will be reduced by 10 percent or 3,874 people; and
- implementation of the bill will begin July 1, 2018.

State Revenue

This bill will reduce cash fund state revenue by at least \$219,362 per year starting in FY 2018-19.

Fee impact on concealed carry permit application and renewal fees. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Currently, concealed carry permit applicants pay a \$52.50 application fee, of which \$42.50 is credited to the CBI Identification Unit Cash Fund and \$10 is passed through to the Federal Bureau of Investigation (FBI). Concealed carry permit holders must renewal their permit

annually and pay a \$13 renewal fee. Table 2 identifies the impact on concealed carry permit application and renewal fees, assuming a 3,874 less concealed carry permit applications and 1,229 less concealed carry permit renewals per year.

Table 2
Fee Impact on conceal carry applications and renewals

Fiscal Year	Type of Fee	Current Fee	Number Affected	Total Fee Impact
FY 2018-19, and thereafter	New conceal carry applications	\$52.50	(3,874)	(\$203,385)
	Conceal carry renewals	\$13.00	(1,229)	(\$15,977)
FY 2018-19 and thereafter total				(\$219,362)

Criminal fines and court fees. The bill is anticipated to decrease state revenue by less than \$5,000 per year, credited to the Fines Collection Cash Fund in the Judicial Department. The fine penalty for a class 6 felony offense 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 fines imposed by the courts, the fiscal note assumes that any revenue generated is likely to be less than \$5,000.

TABOR Refund

This bill reduces state revenue from application and renewal fees, as well as criminal fines and court fees, which will reduce the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill reduces the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will increase by an identical amount.

State Expenditures

Beginning in FY 2018-19, this bill decreases state cash fund expenditures by \$224,676 and 2.0 FTE in the Department of Public Safety and decreases workload in the Judicial Department and other Judicial agencies. This bill may also decrease state General Fund expenditures in the Department of Corrections. The bill may also increase workload for Higher Education institutions. These impacts are shown in Table 3 and discussed below.

**Table 3
 Expenditures Under SB 18-097**

	FY 2018-19	FY 2019-20
Department of Public Safety		
Personal Services	(\$101,775)	(\$101,775)
Operating Expenses and Capital Outlay Costs	(\$1,900)	(\$1,900)
Fingerprint Background Costs	(\$35,292)	(\$35,292)
FBI Transfer	(\$38,740)	(\$38,740)
Employee Benefits Costs	(\$46,969)	(\$46,969)
FTE – Personal Services	(2.0 FTE)	(2.0 FTE)
Total Cost	(\$224,676)	(\$224,676)
Total FTE	(2.0 FTE)	(2.0 FTE)

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. Reduction in personal services are based on current actual salaries for a Fingerprint Examiner, Data Specialist, and Technician with associated operating costs equal to 2.0 FTE.

Fingerprint background check costs. New concealed carry permit applicants must submit to a fingerprint background check. Reduced costs per applicant include a \$10 fee paid to the federal government to access federal databases, an \$0.88 fee to access the Colorado Crime Information Center, \$0.58 in postage costs, and a \$7.65 fee to process and store images in the Automated Fingerprint Identification System. The fiscal note assumes a reduction of 3,874 fingerprint background checks per year, which amounts to a reduction of \$38,740 in FBI fees and \$35,292 in fingerprint background costs.

Employee benefit costs. Employee benefit costs, which include employee insurance and supplemental employee retirement payments, are reduced by an estimated \$46,969 per year starting in FY 2018-19.

Judicial Department. Because fewer people will be charged with illegal possession of a concealed weapon or carrying a concealed weapon on school grounds, the bill will decrease caseload for trial courts. To the extent that less people are sentenced under the bill, probation services provided by the Judicial Department may also decrease. However, this reduction is expected to be minimal due to the fact that the majority of individuals who are charged with carrying a concealed weapon or carrying a concealed weapon on school grounds are subject to other charges.

Agencies providing representation to indigent persons. Workload and costs for the Office of the State Public Defender and the Office of the Alternate Defense Counsel will decrease if fewer people are prosecuted under the bill. To the extent this occurs, this analysis assumes the affected offices will request any reductions in appropriations through the annual budget process.

Department of Corrections and parole. To the extent that changing the factual basis for convictions of carrying a concealed weapon causes fewer sentences to a term of incarceration, costs will decrease. For informational purposes, the average length of stay for a class 6 felony is 9 months, with at least 9.5 months on parole following release from prison. Because it is not known how many individuals the 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.

Higher educational institutions. To the extent that higher education institutions must update their security and disciplinary policies and procedures as a result of this bill, workload will increase for the institutions. It is assumed that higher education institutions can accomplish this workload within existing appropriations.

Local Government

Overall, this bill is expected to decrease local government revenue, workload, and costs as described below. The exact impact to a particular local government will vary depending on the number of existing permit applications and offenses committed within its jurisdiction.

District attorneys. The bill decreases workload and costs for district attorneys to prosecute fewer offenses related to concealed carry.

County jails. Under current law, a court may sentence an offender for a class 2 misdemeanor to jail for a period of between 3 and 12 months. Because the courts have the discretion of incarceration or imposing a fine, the precise impact at the local level cannot be determined. Estimated costs to house an offender in a county jail vary from \$53 to \$114 per day. For the current fiscal year, the state reimburses county jails at a daily rate of \$54.39 to house state inmates.

Sheriff departments. 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 drop by 10 percent 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.

Denver County Court. The bill results in an decrease in workload for the Denver County Court, managed and funded by the City and County of Denver. The court will try fewer misdemeanor cases under the bill. Probation services in the Denver County Courts may also experience a minimal decrease in workload and revenue to supervise fewer persons convicted under the bill within Denver County.

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on March 21, 2018.

State Appropriations

For FY 2018-19, the bill requires and includes a total appropriation reduction of \$224,676 from the Identification Unit Cash Fund and the Instacheck Unit Cash Fund and a reduction of 2.0 FTE.

State and Local Government Contacts

Corrections
Higher Educations
Municipalities

Counties
Information Technology
Public Safety

District Attorneys
Judicial
Sheriffs