



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-003: SEMIAUTOMATIC FIREARMS & RAPID-FIRE DEVICES

Prime Sponsors:

Sen. Sullivan; Gonzales J.
Rep. Boesenecker; Froelich

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Published for: Senate Second Reading

Drafting number: LLS 25-0599

Version: Second Revised Note

Date: February 14, 2025

Fiscal note status: This revised fiscal note is provided pursuant to Senate Rule 25(e) and reflects the introduced bill, as amended by the Senate SVMA Committee, and amendments L.010, L.025, L.027, L.029, L.030, L.031, L.032, L.041, and L.036 adopted during Senate Second Reading. This fiscal note is preliminary and will be updated after additional review and consultation with affected state agencies.

Summary Information

Overview. The bill prohibits the manufacture, distribution, transfer, sale, or purchase of certain semiautomatic firearms, with certain exceptions including for persons who have completed qualifying firearm or hunter education. It classifies rapid-fire devices as dangerous weapons.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2025-26:

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires appropriations totaling \$2.3 million to multiple state agencies; see State Appropriations section.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$2,475,000	\$2,475,000
State Expenditures	\$2,391,029	\$2,116,029
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$1,412,500	\$1,412,500
Change in State FTE	12.1 FTE	12.1 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$2,475,000	\$2,475,000
Total Revenue	\$2,475,000	\$2,475,000

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$2,341,029	\$2,066,029
Federal Funds	\$0	\$0
Centrally Appropriated	\$50,000	\$50,000
Total Expenditures	\$2,391,029	\$2,116,029
Total FTE	12.1 FTE	12.1 FTE

Summary of Legislation

The bill prohibits the manufacture, distribution, transfer, sale, or purchase of semiautomatic rifles or shotguns with detachable magazines and gas-operated semiautomatic handguns. Rifles that use .22 caliber, or lower, rim-fire ammunition are not prohibited, unless the rifle has separate upper and lower receivers. Other exceptions are provided in the bill for certain persons, including law enforcement and individuals who have completed qualifying firearm-related education courses. The Attorney General is authorized to provide guidance regarding implementation of the bill, including issuing opinions or providing other guidance about specific firearms to which the bill applies.

The penalty for a violation is a class 2 misdemeanor, or a class 6 felony for second or subsequent violations. Any conviction is grounds for denial of any future firearm transfers, and makes a person subject to the felony for possession of a weapon as a previous offender (POWPO) restrictions. Additionally, the Department of Revenue (DOR) must revoke the state firearm dealer permit of any dealer who is convicted for a violation.

The bill classifies rapid-fire devices as dangerous weapons, which are subject to other prohibitions and penalties in statute, and removes references to machine gun conversion devices. Additionally, the bill includes a severability clause.

As mentioned above, the bill establishes a process for a person that has completed certain firearm-related courses to acquire firearms otherwise prohibited by the bill. Sheriffs must authorize a person to take these classes after completion of a fingerprint-based background check, and then Colorado Parks and Wildlife (CPW) verifies that required educational classes have been completed.

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 section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Prior Conviction Data

Specified Semiautomatic Firearms

This bill creates the new offense of unlawful manufacture, distribution, transfer, sale, or purchase of a specified semiautomatic firearm, a class 2 misdemeanor for a first offense or a class 6 felony for a second or subsequent offense. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of unlawful sale, transfer, or possession of a large-capacity magazine, a class 2 misdemeanor, as a comparable crime. From FY 2021-22 to FY 2023-24, 203 offenders have been sentenced and convicted for this existing offense. Of the persons convicted, 198 were male and 5 were female. Demographically, 102 were white, 86 were Black/African-American, 9 were Hispanic, 3 were Asian, 2 were American Indian, and 1 was classified as "Other."

POWPO

The bill creates a new factual basis for the existing offense of possession of a weapon by a previous offender (POWPO), a class 5 felony, by adding a new potential felony conviction that would make a person ineligible to possess a firearm. From FY 2021-22 to FY 2023-24, 423 persons have been sentenced and convicted for this existing offense. Of the persons convicted, 399 were male, 20 were female, and 4 did not have a gender identified. Demographically, 291 were White, 96 were Black/African-American, 20 were Hispanic, 4 were Asian, 3 were American Indian, 8 were classified as "Other," and 1 did not have a race identified.

Dangerous Weapons

The bill creates a new factual basis for the existing offense of possession of a dangerous weapon, a class 5 felony, by removing machine gun conversion devices and adding rapid-fire devices to the list of dangerous weapons. From FY 2021-22 to FY 2023-24, 173 persons have been sentenced and convicted for this existing offense. Of the persons convicted, 160 were male, and 13 were female. Demographically, 125 were White, 26 were Black/African-American, 11 were Hispanic, 6 were Asian, 1 was American Indian, 3 were classified as "Other," and 1 did not have a race identified.

Assumptions

Overall, the fiscal note assumes that there will be minimal or no additional case filings or convictions from the new offense under the bill, or from the changes to existing offenses. The new offense under the bill does not prohibit possession, while the comparable crime includes this element. Additionally, prohibited conduct for the new offense will mostly impact firearm dealers, who are assumed to follow all laws regarding firearms. In addition, the bill creates an educational option for persons to complete in order to purchase a firearm otherwise prohibited by the bill, which further decreases the likelihood of prosecution. POWPO offenses require a previous felony conviction. Under the bill, a felony conviction is only possible after a first offense, which is assumed to minimally occur. Finally, replacing machine gun conversion devices with rapid-fire devices in the list of dangerous weapons is unlikely to increase case filings or convictions because the similarity of these devices means that possession of rapid-fire devices is likely already being prosecuted under current law. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Revenue

The bill increases state revenue by approximately \$2.5 million per year starting in FY 2025-26. Revenue is received from two sources: background check fees to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (CDPS) and fee revenue passed on to CPW from private vendors conducting firearm education classes. Preliminarily, revenue to the CBI is estimated to be about \$2 million per year, of which \$1.4 million is retained by the state and subject to TABOR and \$562,500 is passed on to the Federal Bureau of Investigation. This revenue will accrue to the CBI Identification Unit Cash Fund. The amount of revenue to the CPW is preliminarily estimated to be \$500,000 per year to the Firearms Training and Safety Course Cash Fund.

These estimates are based on the following assumptions:

- 50,000 people per year will contact a sheriff to qualify for a firearm education class and have a CBI background check conducted and take an eligible education class;

- the background check fee is \$39.50, of which \$28.25 is retained by the CBI and \$11.25 is passed on to the FBI (and not subject to TABOR); and
- private vendors will pass on \$10 per participant to the CPW.

Based on the Comparable Crime Analysis section, this analysis assumes that there will be a minimal impact on state revenue. Under the bill, criminal fines and court fees, which are subject to TABOR, may increase by a minimal amount.

State Expenditures

The bill increases state expenditures by about \$2.4 million in FY 2025-26 and about \$2.1 million in FY 2026-27 and future years. These costs will be incurred in the Department of Natural Resources (DNR) and the CDPS as shown in Tables 2 and described in the sections below. Costs in the CDPS are paid from the CBI Identification Unit Cash Fund, and costs in the DNR are paid from the Firearms Training and Safety Course Cash Fund. The bill also affects costs in the state criminal justice system, the Department of Law, and the Department of Revenue.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Natural Resources - CPW	\$550,000	\$275,000
Department of Public Safety – CBI ¹	\$1,841,029	\$1,841,029
Total Costs	\$2,391,029	\$2,116,029
Total FTE	12.1 FTE	12.1 FTE

¹ This amount includes funds passed through to federal government for FBI background checks.

Department of Natural Resources

The fiscal note estimates that the CPW will have costs of about \$550,000 in FY 2025-26 and \$275,000 in FY 2026-27 and future years, paid from the Firearms Training and Safety Course Cash Fund. Costs are for computer system development on staff to support the new process for education verification.

System Development and Maintenance

Costs will include \$35 0,000 for the development and implementation of a system that will allow the department to verify persons have completed firearms-related courses required to purchase firearms otherwise prohibited by the bill. The estimated cost for development and implementation of a system through a vendor is \$250,000, with \$100,000 in payments to the Office of Information Technology (OIT) to ensure the system meets state information technology

requirements. Starting in FY 2026-27, the fiscal note estimates system maintenance costs equal to 20 percent of development costs, or \$50,000 annually.

Staff

Preliminarily, it is estimated that CPW will have staffing costs of about \$200,000 for 3.0 FTE in FY 2025-26. This is reduced to \$175,000 in FY 2026-27 and future years. Centrally appropriated costs are expected to be about \$50,000 per year.

Department of Public Safety

The bill increases cash fund expenditures in the CDPS for fingerprint-based criminal history background checks by \$1.8 million per year starting in FY 2025-26, paid from the CBI Identification Unit Cash Fund. This covers the costs of conducting additional background checks and includes the pass through costs (\$562,500) of the FBI component of the background check. 9.1 FTE is required to process the assumed 50,000 background checks per year.

Criminal Justice System

Based on the assumptions in the Comparable Crime Analysis section, this analysis assumes that there will be a minimal impact on the criminal justice system. Under the bill, any increase in workload and costs for the Judicial Department, including the trial courts, Division of Probation, and agencies that provide representation to indigent persons, and to the Department of Corrections, are assumed to be minimal and no change in appropriations is required.

Department of Law

The bill authorizes, but does not require, the Department of Law (DOL) to provide guidance regarding implementation of the bill, including issuing opinions on specific models of firearms that are prohibited. Depending on the amount of guidance requested, workload for the DOL may increase and could require additional resources. The fiscal note assumes that since the bill does not require the DOL to provide guidance, no additional appropriations are required at this time. If the DOL chooses to produce guidance which requires more resources to provide, this will be addressed through the annual budget process.

Department of Revenue

The bill requires the DOR to revoke the state firearm dealer permit of any dealer who violates the provisions of the bill. This increases workload for the DOR; however, based on the population of firearm dealers and an assumption that most dealers will follow the law, the increase is expected to be minimal and no additional appropriations are required.

Local Government

Similar to the state, it is expected that any workload or cost increases for district attorneys to prosecute more offenses, or for county jails to imprison more individuals under the bill will be minimal. District attorney offices and county jails are funded by counties.

Additionally, sheriffs will have increased workload, costs and fee revenue from processing requests from individuals seeking to take firearm education and to share information with CPW,

Technical Note

The Firearms Training and Safety Course Cash Fund is intended to cover costs for the CPW to administer the records system. However, it will not have sufficient revenue in FY 2025-26 to cover these costs.

The fiscal note assumes that General Fund may be required, or other internal transfers between cash funds in the CPW.

Effective Date

The bill takes effect September 1, 2025, and applies to offenses committed on or after this date.

State Appropriations

For FY 2025-26, the bill requires the following appropriations:

- \$550,000 to the Department of Natural Resources from the Wildlife Cash Fund, and 3.0 FTE. Of this amount, \$100,000 is reappropriated to the Office of Information Technology; and
- \$1,612,101 to the Department of Public Safety, from the CBI Identification Unit Cash Fund, and 9.1 FTE. Of this amount, \$562,500 is passed through to the FBI.

Departmental Difference

Based on the introduced bill, the Department of Public Safety (CDPS) estimates the bill requires an additional \$4,655,352 General Fund and 8.0 FTE in FY 2025-26, and \$995,792 General Fund and 8.0 FTE in FY 2026-27 and ongoing. At this time, the CDPS has not provided input on the bill as amendment. Information on the original CDPS estimate is described below.

The CBI assumes that the bill will result in the submission of an additional 1,000 firearms per year to the Colorado Bureau of Investigation (CBI) for functionality testing to determine if firearms are prohibited by the bill. The CDPS indicates that under current law 1,000 firearms per year are processed by forensic firearm examiners. The increase in workload would require

additional forensic staff, support staff, forensic examination equipment, other specialized equipment, non-standard staff operating costs, and, due to the lack of space at the CBI lab in Pueblo for these additional staff and equipment, a remodel of the Pueblo lab and purchase of temporary leased space to house staff while the remodel is in progress.

Based on the Comparable Crime Analysis section above, responses of other agencies regarding the potential for violations to occur, and bill language allowing for the DOL to issue guidance or opinions regarding implementation of the bill, the fiscal note assumes a minimal amount of additional firearms may be submitted to the CBI. This increase in workload does not require additional appropriations, and the fiscal note does not include the CDPS's costs.

State and Local Government Contacts

Corrections

Natural Resources

District Attorneys

Public Safety

Judicial

Revenue

Law