



# 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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**Fiscal note status:** This revised fiscal note reflects the reengrossed bill, as amended by the House Judiciary, Finance, and Appropriations Committees.

### 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-related courses. 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
- State Transfers
- Local Government

**Appropriations.** For FY 2025-26, the bill requires and includes an appropriation of \$1.3 million to the Department of Natural Resources. It also provides roll-forward spending authority for an FY 2024-25 appropriation to the Department of Revenue. See State Appropriations section for detail.

**Table 1  
State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$2,000,000	\$2,000,000
State Expenditures	\$1,443,010	\$605,500
Transferred Funds	\$1,363,010	\$500,000
Change in TABOR Refunds	\$0	\$0
Change in State FTE	3.0 FTE	3.0 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
 State Revenue**

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

**Table 1B  
 State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$80,000	\$80,000
Cash Funds	\$1,255,591	\$435,581
Federal Funds	\$0	\$0
Centrally Appropriated	\$107,419	\$89,919
<b>Total Expenditures</b>	<b>\$1,443,010</b>	<b>\$605,500</b>
<b>Total FTE</b>	<b>3.0 FTE</b>	<b>3.0 FTE</b>

**Table 1C  
 State Transfers**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Parks and Outdoor Recreation Cash Fund	-\$1,363,010	\$500,000
Firearm Safety and Training Course Cash Fund	\$1,363,010	-\$500,000
<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>

## Summary of Legislation

The bill prohibits the manufacture, distribution, transfer, sale, or purchase of semiautomatic rifles or shotguns with detachable magazines—not including tubular magazines located under the barrel of a firearm—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. Specific models of firearms identified in the bill are also not prohibited. Other exceptions are provided in the bill for certain persons, including law enforcement and individuals who have completed qualifying firearm-related education courses. The Firearms Dealer Division (FDD) in the Department of Revenue (DOR) must provide guidance and

clarification regarding implementation of the bill, including publishing and making publicly available guidance about specific models of firearms prohibited by the bill. The FDD may consult with firearms experts and convene working groups to assist in creating this guidance.

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 FDD 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. The bill also increases the penalty for selling, transferring, or possessing a large capacity magazine from a class 2 misdemeanor to a class 1 misdemeanor.

### **Purchase of Otherwise Prohibited Firearms**

As mentioned above, the bill establishes a process for a person to purchase firearms otherwise prohibited by the bill if they have completed firearm-related courses that meet certain criteria established by Colorado Parks and Wildlife (CPW) in the Department of Natural Resources (DNR). To take these courses, a person must obtain a course eligibility card by applying to their sheriff on a form approved by the CPW. Certain information must accompany an application, including the results of a name-based criminal history background check conducted by a private vendor that performs such checks as a normal part of their business. Making a false or misleading statement during an application is punishable as perjury in the second degree.

Sheriffs are responsible for approving applications and issuing eligibility cards, or denying applications if a person cannot lawfully possess a firearm. Each sheriff may establish a processing fee to cover the direct and indirect costs of issuing cards. Cards are valid for five years and must be revoked if a sheriff knows a person subsequently becomes ineligible to lawfully possess a firearm, and may be revoked if a sheriff has reason to believe a cardholder presents a danger to their self or others by holding a card. A sheriff is not liable for damages that may result from issuance or denial of a card if the sheriff complies with requirements in good faith.

Once a card has been obtained, a person may take courses from instructors approved by a sheriff. Instructors must verify a person's eligibility through a course record system maintained by the CPW. This system must also allow federal firearm licensees (FFLs) to verify that a purchaser has completed required courses. The bill authorizes the CPW to charge a fee for a course eligibility card, and sheriffs to charge a fee for processing card applications.

The CPW fee is collected by sheriffs but is transmitted to the new Firearms Training and Safety Course Cash Fund in the CPW. The bill authorizes transfers among cash funds in the CPW until the end of 2029 as necessary to implement the bill. Any amount transferred from a fund in this manner must be restored from the receiving cash fund by the end of FY 2029-30.

## Comparable Crime Analysis

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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 persons 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.

#### Large Capacity Magazine

This bill reclassifies the existing offense of selling, transferring, or possessing a large capacity magazine from a class 2 misdemeanor to a class 1 misdemeanor. From FY 2021-22 to

FY 2023-24, 204 persons have been convicted and sentenced for this offense. Of the persons convicted, 199 were male, and 5 were female. Demographically, 103 were White, 86 were Black/African American, 9 were Hispanic, 3 were Asian, 2 were American Indian 1 was classified as "Other."

### Perjury in the Second Degree

The bill creates a new factual basis for the existing offense of second degree perjury, a class 2 misdemeanor, by including false or misleading statements during a firearm course eligibility card application. From FY 2021-22 to FY 2023-24, 112 persons have been sentenced and convicted for this existing offense. Of the persons convicted, 65 were male and 47 were female. Demographically, 93 were White, 11 were Black/African-American, 6 were Hispanic, 1 was Asian, and 1 was classified as "Other."

### 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 laws regarding firearms. Also, the bill creates an opportunity for persons to purchase firearms 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. 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. Increasing the criminal classification for the large capacity magazine offense will not increase the number of cases filed in the criminal justice system. Finally, the fiscal note assumes that applications for course eligibility cards will be closely scrutinized and deter applicants from making perjuries during this process. Visit [leg.colorado.gov/fiscalnotes](http://leg.colorado.gov/fiscalnotes) for more information about criminal justice costs in fiscal notes.

### State Revenue

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The bill increases state revenue to the Firearms Training and Safety Course Cash Fund in the CPW by approximately \$2.0 million per year starting in FY 2025-26. Revenue is from fees charged by CPW as part of the course eligibility card application process. Revenue to the CPW enterprise is exempt from TABOR. The amount of revenue estimated is based on the assumption that about 50,000 people per year will contact a sheriff to apply for a course eligibility card. The actual amount of applicants paying a fee may vary depending on consumer behavior. Although cards are valid for five years, the fiscal note further assumes that revenue to the CPW will be fairly constant in future years.

## Fee Impact on Course Eligibility Card Applicants

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the CPW based on cash fund balance, program costs, and the number of applications subject to the fee. Table 2 below identifies the fee impact of this bill.

**Table 2**  
**Annual Fee Impact on Course Eligibility Card Applicants**  
**Starting FY 2025-26**

Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
CPW Course Eligibility Card Application	\$40	50,000	\$2,000,000
<b>Total Annual Fee Revenue</b>			<b>\$2,000,000</b>

## Criminal Fines

By increasing the crime classification an existing misdemeanor offense, the bill will increase state revenue from criminal fines and court fees by a minimal amount beginning in FY 2025-26, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund. The fine penalty for a class 1 misdemeanor ranges from \$500 to \$1,000, while a class 2 misdemeanor ranges from \$250 to \$750. Because the courts have the discretion of incarceration, imposing a fine, or both, a precise state revenue impact cannot be determined but are assumed to be minimal. Criminal fine and court fee revenue is subject to TABOR.

## State Transfers

From September 1, 2025, to December 31, 2029, the bill authorizes transfers from the Parks and Outdoor Recreation Cash Fund in the CPW as necessary to implement the bill. Although the Firearms Training and Safety Course Cash Fund will receive revenue in FY 2025-26, it is unlikely to accrue an amount sufficient to cover implementation costs as they occur. Based on this, the fiscal note assumes that a transfer or transfers totaling about \$1.4 million from the Parks and Outdoor Recreation Cash Fund will occur in FY 2025-26. Additional transfers may occur as needed in future years, but at this time the fiscal note does not anticipate these will be necessary and does not estimate an amount.

Corresponding annual transfers from the Firearms Training and Safety Cash Fund back to the Parks and Outdoor Recreation Cash Fund will also occur starting in FY 2026-27 and ending in FY 2029-30, such that the total amount of all annual transfers will equal the amount initially transferred for necessary implementation costs. The first transfer in FY 2026-27 is estimated at about \$500,000.

## State Expenditures

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The bill increases state expenditures by about \$1.4 million in FY 2025-26 and about \$600,000 million in FY 2026-27 and future years. These costs will be incurred in the DNR and the DOR as shown in Table 3 and described in the sections below. Costs in the DNR are paid from the Firearms Training and Safety Course Cash Fund. Costs in the DOR are paid from the General Fund. The bill also minimally impacts workload in the Department of Public Safety and the state criminal justice system.

**Table 3**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Natural Resources – CPW	\$1,363,010	\$525,500
Department of Revenue – FDD	\$80,000	\$80,000
<b>Total Costs</b>	<b>\$1,443,010</b>	<b>\$605,500</b>
<b>Total FTE</b>	<b>3.0 FTE</b>	<b>3.0 FTE</b>

### Department of Natural Resources

The CPW will have costs of about \$1.4 million in FY 2025-26 and about \$500,000 in FY 2026-27 and future years, paid from the Firearms Training and Safety Course Cash Fund. Costs are for staff to support the new process for education verification and computer system development.

#### Staff

The CPW requires 3.0 FTE starting in FY 2025-26. Staff will oversee the course record and verification system, conduct outreach with sheriffs and members of the public, and continue to manage the program in future years. In addition to these new staff, existing staff in the DNR will assist with the administration of the course record and verification system.

#### Course Record System

Costs include an estimated \$1.0 million 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 \$900,000, 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, annual system maintenance costs are \$150,000 and an estimated \$50,000 in payments to the OIT to ensure ongoing compliance.

**Table 3A  
 State Expenditures  
 Department of Natural Resources**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$231,741	\$231,741
Operating Expenses	\$3,840	\$3,840
Capital Outlay Costs	\$20,010	\$0
Course Record System	\$1,000,000	\$200,000
Centrally Appropriated Costs	\$107,419	\$89,919
<b>Total Costs</b>	<b>\$1,363,010</b>	<b>\$525,500</b>
<b>Total FTE</b>	<b>3.0 FTE</b>	<b>3.0 FTE</b>

### Department of Revenue

The bill impacts the DOR in two ways: requiring the DOR to provide guidance and clarification regarding firearms prohibited by the bill, and requiring the DOR to revoke the state firearms dealer permit of any dealer who violates the provisions of the bill.

#### Prohibited Firearms Guidance

The DOR will have additional workload and costs to create and publish publicly available guidance about specific models of firearms that are prohibited by the bill. The DOR is authorized to consult with firearm experts and convene working groups to assist with this effort. In the first year, the DOR will have \$80,000 in costs to retain the services of an expert consultant. These first-year costs will be paid using an existing FY 2024-25 General Fund appropriation to the DOR under [House Bill 24-1353](#). SB 25-003 gives the DOR roll-forward spending authority through FY 2025-26 to use this existing appropriation to implement the bill. In FY 2026-27 and future years, costs are estimated at \$80,000 per year, paid from the General Fund, for consultant services to review and monitor additional firearms released to market, although these costs may be more or less than estimated here depending on the composition of the firearm market.

#### State Firearms Dealer Permit Enforcement

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.



**Table 3B**  
**State Expenditures**  
**Department of Revenue**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Consultant Services	\$80,000	\$80,000
<b>Total Costs</b>	<b>\$80,000</b>	<b>\$80,000</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>

### **Department of Public Safety**

If the bill results in additional firearms submitted for forensic analysis to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (CDPS), workload in the department will increase. Based on the availability of a process to purchase firearms otherwise prohibited by the bill and the requirement that the DOR provide guidance on specific models of firearms prohibited by the bill, it is assumed that a minimal number of additional firearms will be submitted and no change in appropriations is required.

### **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 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, is assumed to be minimal and no change in appropriations is required.

### **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. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 3A.

### **Local Government**

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Sheriffs will have increased fee revenue and costs from processing course eligibility card applications and sharing information with CPW. This process is expected to be similar to that conducted by sheriffs for concealed handgun permits.

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.

## Technical Note

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Given the complexity involved in implementing the bill and the potential for delays in contracting or system development, implementation costs shown for FY 2025-26 may occur through FY 2027-28. Based on this, the DNR may require roll-forward spending authority until the completion of implementation or through FY 2027-28, whichever comes first.

## Effective Date

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

## State Appropriations

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For FY 2025-26, the bill requires and includes an appropriation of \$1,255,591 from the Firearms Safety and Training Course Cash Fund to the Department of Natural Resources, and 3.0 FTE. Of this amount, \$100,000 is reappropriated to the Office of Information and Technology.

HB 24-1353 included a General Fund appropriation of \$618,973 the Department of Revenue for FY 2024-25. This bill gives the DOR roll-forward spending authority to use any unspent money from this appropriation through FY 2025-26.

## State and Local Government Contacts

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Corrections

Natural Resources

District Attorneys

Public Safety

Judicial

Revenue

Law