

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1030 (2nd Edition)

SHORT TITLE: Handgun Permit Fee/Retired Law Officers

SPONSOR(S): Representative Glazier

	FISCAL IMPACT				
	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES:					
Dept. of Justice	Potential increase in receipts if applications increase				
Counties	Loss of \$35 per new permit or five-year renewal affected				
EXPENDITURES:					
Dept. of Justice	Potential increase in costs if applications increase (covered by receipts)				
Counties	Costs incurred will no longer be covered by revenue Potential increase in costs if applications increase				
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Counties					
EFFECTIVE DATE: July 1, 2003					

BILL SUMMARY: County sheriffs issue concealed handgun permits. Current law establishes permit fees for concealed handgun applications: \$80 for a new application and \$75 for a renewal (every five years). This legislation would waive the \$35 portion of the application and renewal permit fees retained by county governments for qualified retired law enforcement officers. The waiver does not apply if the person was involuntarily terminated as a law enforcement officer or if the person was under administrative or criminal investigation within six months of retirement.

ASSUMPTIONS AND METHODOLOGY:

Under current law, the county retains \$35 of each \$80 application and \$75 renewal fee. The remaining \$40 (renewal) or \$45 (new permit) is remitted to the NC Department of Justice (DOJ) for the cost of performing state and national background checks; the DOJ in turn remits \$22 to the Federal Bureau of Investigation (FBI). This bill would only affect the portion of the fee retained by counties.

In 2002, the DOJ performed 11,640 criminal record checks for concealed handgun permit applications. The number of retired law enforcement officers (LEOs) who applied for new or renewed concealed handgun permits is unknown. However, for the purpose of determining the maximum fiscal impact of this bill we assume that all retired officers will apply for concealed handgun permits.

New retirees. In 2002, 499 state and local law enforcement officers and former officers retired. We estimate a pool of approximately 500 new, potentially eligible applicants each year. Some of these retirees may be former officers who already have permits and would be eligible for the

waiver only at their five-year permit renewal. The maximum revenue loss (\$17,500) from new retirees would occur if all 500 officers currently apply, upon or after retirement, for concealed handgun permits.

Current retirees. As of April 2003, there were 6,434 retired state and local LEOs in North Carolina. We cannot estimate the number of current retirees who do not have permits but will qualify and apply for permits after the passage of this legislation, or the number who have permits and will renew them. If all retired LEOs have concealed handgun permits, then on average there could be 1,290 renewal applications each year over the next five years.¹ **If more retired officers apply for permits as a result of this legislation, the total fees waived will be greater than the county revenue that would have been collected without this legislation.**

NC Department of Justice. The cost to the DOJ to process a concealed handgun criminal record check is covered by the application fee. If more retired law enforcement officers apply for permits as a result of this legislation, the DOJ's workload could increase. Any additional positions required would be receipt-supported, and the DOJ would require legislative authorization to establish a new receipt-supported position. We do not anticipate that this legislation will generate enough new work to require an additional position.

Counties. The cost to each sheriff's office to process concealed handgun applications is unknown. **For each application affected by this legislation, counties would lose \$35 in receipts.** The sheriffs are also authorized to charge \$15 for a duplicate permit and up to \$10 for costs associated with processing fingerprints for the permit application. HB 1030 does not appear to affect those fees.

SOURCES OF DATA: NC Department of Justice; State Treasurer, Retirement Systems Division

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Chloe Gossage

APPROVED BY: James D. Johnson, Director, Fiscal Research Division

DATE: June 9, 2003



Signed Copy Located in the NCGA Principal Clerk's Offices

¹ This figure includes all LEO retirees, some of who would not qualify for the permit fee waiver. These calculations also assume that the number of retired LEOs is relatively constant over time.