

REVISE CONCEALED WEAPON LICENSING PROVISIONS



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FISCAL ANALYSIS

HOUSE BILL 6337 (H-4)

Sponsor: Rep. Scott Hummel

House Committee: Civil Law and the Judiciary

FLOOR ANALYSIS - 12/3/02

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SUMMARY

House Bill 6337 would amend Public Act 372 of 1927 to revise the statutory provisions regarding concealed weapon licensing. Among the changes contained in the bill are adjustments to (1) the fee amounts and earmarks specified in the statute and (2) the renewal period for licenses. The fees laid out in the bill are slightly higher than the fees paid by license applicants under current practice (which exceed those specifically referenced in Public Act 372 of 1927). The impact of the fee adjustments on the Department of State Police and counties relative to current practice are indeterminate and would fluctuate over time. County revenue would increase as a result of the adjustments; revenue earmarked for the department would likely decrease in the short term and increase in the long term.

One specific impact of the bill is that revenue generated by a \$5 assessment for concealed weapon enforcement training would be eliminated. Lengthening the renewal period from three years to five years would eventually have the impact of decreasing by 40 percent both costs and revenue associated with the processing of license applications by the department and counties.

BACKGROUND

Public Act 381 of 2000 amended Public Act 372 of 1927 to provide for new concealed weapon licensing procedures. The amendatory act provided for certain fees to fund the costs incurred by counties and the Department of State Police (DSP) in administering those procedures: a total of \$75 in potential fees for new applicants and a fee of \$35 for individuals renewing licenses. The department currently charges an additional \$24 for new applicants to fund the costs of a federal-level background check and an additional \$54 for renewal applicants to fund the costs of the state- and federal-level background checks required under the current licensing provisions.

Public Act 381 of 2000 became effective July 1, 2001. Over the 12 months from July 2001 through June 2002, 62,902 individuals applied for concealed weapon licenses in Michigan.

FISCAL ANALYSIS

The table below shows the amount of fees (1) currently specified in Public Act 372 of 1927 (as established by Public Act 381 of 2000), (2) actually charged by counties and DSP under current practice, and (3) specified in House Bill 6337:

<u>Initial Application</u>	Specified in 1927 PA 372	Current Practice	House Bill 6337 (H-4)
County: General Fund*	\$10	\$10	\$41
County: Fingerprinting Costs**	15	15	0
DSP	45	45	64
DSP: Additional amount for federal-level check	0	24	0
Concealed Weapon Enforcement Fund	5	5	0
TOTAL	\$75	\$99	\$105

<u>Renewal Application</u>	Specified in 1927 PA 372	Current Practice	House Bill 6337 (H-4)
County: General Fund*	\$35	\$35	\$41
DSP	0	0	64
DSP: Additional amount for state-level check	0	30	0
DSP: Additional amount for federal-level check	0	24	0
TOTAL	\$35	\$89	\$105

*HB 6337 allocates \$41 to county clerk (\$26) and county sheriff (\$15)

**2000 PA 381 allows counties to charge *up to* \$15 for costs of fingerprinting

Quantifying the revenue impacts of these fee changes is problematic since (1) the number of renewal applications will fluctuate from year to year as the first wave of applicants following Public Act 381 of 2000 will all become eligible for renewal at roughly the same time and (2) it is difficult to predict the stream of applicants following the initial wave of applications under the new statutory provisions. Generally speaking, the fees specified in the bill are slightly higher than those currently being paid by license applicants. In the case of DSP, the amount of fee revenue earmarked for the department appears to be in line with the costs incurred in conducting background checks and administering other aspects of the concealed weapon licensing statute. The standard fees charged by DSP for state- and federal-level background checks are \$30 and \$24 (passed through to the FBI), respectively. An earmark of \$64, then, would provide an additional \$10 for other costs of administering the licensing provisions (maintenance of the statutorily-required database of licensees, for example).

Revenue earmarked for counties would increase by \$16 to \$31 per initial application (depending on whether the \$15 fingerprinting fee is currently being applied) and by \$6 for renewal applications. The bill would allocate the \$41 earmark for counties between the county clerk (\$26) and the county sheriff (\$15), whereas current statute does not specify any such allocation.

The Department of State Police would receive less revenue (\$5) than under current practice for initial applications and more revenue (\$10) than under current practice for renewal applications. The fee adjustments would, therefore, likely decrease revenue for the department in the short term and increase it in the long term.

One specific impact of the bill would be the elimination of the \$5 assessment for concealed weapon enforcement training provided to law enforcement officers by DSP. This assessment generated revenue of \$203,462 in fiscal year 2001-02. The amount of revenue generated in future years by this assessment can be expected to decrease, given that the number of initial applications for licenses will no doubt be lower in future years than it was in the first year under the new licensing provisions.

Lengthening the renewal period for licensees from three years to five years would, in the long run, decrease fee revenue received by counties and DSP, as well as the licensing processing costs incurred by counties and DSP, by 40 percent.