

## Department of Planning and Budget 2015 Fiscal Impact Statement

**1. Bill Number:** HB2029

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:**        Wilt

**3. Committee:** Militia, Police and Public Safety

**4. Title:**            Concealed handgun permits; fees; background check; exemption for permit holders.

**5. Summary:** The proposed legislation provides that a licensed firearms dealer does not have to have a criminal background check performed to determine a person's eligibility to purchase a firearm if the purchaser possesses a valid concealed handgun permit and presents a photo ID issued by an agency of the Commonwealth or the Department of Defense.

The bill increases from \$10 to \$20 the fee charged by the circuit court clerk for processing an application and issuing a permit. The bill also sets at \$30 the maximum fee that is charged for conducting a background investigation of an applicant for a concealed handgun permit. Of this maximum \$30 fee, \$10 must be paid to the State Police for conducting the background check on the applicant and for conducting periodic background checks during the lifetime of any permit, and the local law-enforcement agency may charge a fee not to exceed the remaining \$20.

The bill also requires that the State Police, in preparing the report from the Central Criminal Records Exchange for the circuit court with regard to an applicant for a concealed handgun permit, to initiate a search of the National Instant Criminal Background Check System for purposes of obtaining criminal history record information regarding the applicant.

**6. Budget Amendment Necessary:** Yes. Item 413.

**7. Fiscal Impact Estimates:** Preliminary. See Items 7a, 7b and 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	0	0	GF (general)
2016	1,227,714	8.0	GF
2017	599,914	8.0	GF
2018	599,914	8.0	GF
2018	599,914	8.0	GF
2020	599,914	8.0	GF
2021	599,914	8.0	GF

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015		GF (general)
2016	175,145	GF
2017	175,145	GF
2018	175,145	GF
2019	175,145	GF
2020	175,145	GF
2021	175,145	GF

## **8. Fiscal Implications:**

According to the Department, the provisions of this bill create a fiscal impact because there will be a cost to modify both the Concealed Weapon and Firearms systems as well as hire additional personnel to perform background checks and process required documentation.

According to the Department, these system changes would require 12 months to implement because there would need to be extensive testing in the systems for new automated processes and functionality. The one-time cost to modify the systems estimated at \$615,000. Further, one IT Analyst position is required to oversee the systems changes and to assist with ongoing support activities of the system.

In addition, the Virginia Criminal Justice Information Services (CJIS) division at State Police estimates that seven additional employees would be needed to review potentially matching records and to notify the courts of disqualifying arrests, convictions, or other events, and to handle administrative-related duties.

This proposal requires the State Police to run and disseminate a search of the National Instant Criminal Background Check (NICS) for each applicant, as well as an annual review of all state and federal criminal history files, including mental health and protective order databases for determination of continued eligibility of permit holders. The State Police will also notify the court in all instances of disqualification to initiate revocation of the permit. Currently, the Department only conducts checks on the issuance of non-resident permits and accesses NICS for the purchase of a firearm, not the issuance of a resident concealed handgun permit check. As of January 20, 2015, the total number of concealed handguns entered in Virginia Criminal Information Network (VCIN) is 406,290. For the last three years, the average number of concealed handgun permits issued by Virginia Circuit Courts is 74,000 per year.

Out of the seven additional positions needed, five full time employees (Program Support Technician Senior) will be required to review all state and national matches of criminal history record information, on a year-round basis, to determine probable identity, interpretation of criminal history record information, and communicate with state, local, and/or federal criminal justice authorities as necessary to determine if any prohibitive factors exist for the continued possession of a concealed handgun permit.

Two additional employees (Program Support Technician) will be needed to run and disseminate NICS records to all courts for new applicants, prepare written

communication to courts and respond to letters, telephone calls, and emails from individuals notified by the court that the State Police determined them ineligible to possess a concealed handgun permit.

In all, the one-time cost associated with the modification of the Concealed Weapon and Firearms systems \$1,227,714; and there will be ongoing annual cost of running and administering the concealed handgun permits program at \$599,914.

The proposal also modifies the fee split on concealed handgun permits. Under Section 18.2-308.03, the current split for \$50 fee:

\$10 – Court clerks

\$35– Local law enforcement agencies

\$5– State Police

New proposed \$50 fee split:

\$20 – Court clerks

\$20 – Local law enforcement agencies

\$10 – State Police

Because the bill also doubles the fee from \$5.00 to \$10.00 that the Department collects and deposits to the general fund, there would be additional revenue for that fund. The Department would charge \$10 only on new permits issued. In 2014, the Department issued 35,029 new permits, therefore estimated additional annual incremental revenue amounts to \$175,145 (35,029 permits x \$10/2).

No fiscal impact is anticipated on the courts due to this proposal.

**9. Specific Agency or Political Subdivisions Affected:** Department of State Police, Virginia courts, and local law enforcement agencies.

**10. Technical Amendment Necessary:** None.

**11. Other Comments:** None.

**Date:** 1/28/2015-HB2029.docx (LAJ)