

## **Department of Planning and Budget**

### **2015 Fiscal Impact Statement**

**1. Bill Number:** SB689S1

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Black

**3. Committee:** Finance

**4. Title:** Concealed handgun permits; lifetime permits.

**5. Summary:** The substitute provides for the issuance of either a five-year permit to carry a concealed handgun or a lifetime permit to carry a concealed handgun. It also provides for a fee for a life time permit. The total amount assessed for processing an application for a lifetime permit shall not exceed \$100.

For the issuance of a lifetime concealed handgun permit, the clerk shall charge a fee of \$40 for the processing of an application or issuing of a permit, including costs associated with the consultation with law-enforcement agencies. The local law-enforcement agency conducting the background investigation may charge a fee not to exceed \$50 to cover the cost of conducting an investigation. The fee also includes any amount assessed by the U.S. Federal Bureau of Investigation for providing criminal history record information. The State Police may charge a fee not to exceed \$10 to cover its costs associated with processing the application.

The substitute also provides that that upon receipt of the completed application, the court shall consult with local law enforcement agency and receive a report from the Central Criminal Records Exchange from the State Police. In preparing the report, the State Police shall initiate a search of the National Instant Criminal Background Check System (NICS). The bill also provides that the State Police shall conduct a national criminal history records check, including searching the NICS, on all valid concealed handgun permits issued on a periodic basis, but not less than once every five years, throughout the lifetime of the permit.

Also, upon receipt by the State Police of a record of the arrest, conviction, or occurrence of any other event that would be the basis of a revocation of a permit, the State Police shall notify the court having issued the permit of such disqualifying arrest, conviction, or other event. Upon receipt of notice from a court that a permit has been revoked, the State Police must enter such information in the Virginia Criminal Information Network (VCIN) so that the permit's revoked status will be made known to all law-enforcement personnel accessing the Network for investigative purposes.

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

**7. Fiscal Impact Estimates:** Preliminary. See Items 7a 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

**8. Fiscal Implications:** According to the Department of State Police (Department), the provisions of the substitute create a fiscal impact because there will be a cost to modify both the Concealed Weapon and Firearms systems for lifetime permits and five-year permits, and they will need to 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 of the systems for new automated processes and functionality. The one-time cost to modify the systems is 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.

The substitute provides for a periodic check of “not less than once every five years” for all valid concealed handgun permits to be conducted by the Department, and requires the Department to run and disseminate NICS records to all courts for permit applicants. The Department intends to conduct the background check annually in compliance the substitute amendment and ensures the continued integrity of the permit during its lifetime. 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.

In addition, the Virginia Criminal Justice Information Services (CJIS) division within the Department 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.

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 is estimated to be \$1,227,714; and there will be ongoing annual cost of running and administering the concealed handgun permits program at \$599,914.

Since the substitute provides for the State Police to charge \$5 to cover its costs for a five year permit, and \$10 for a life time permit, there could be an impact on revenue collected by the Department from handgun permits which is deposited into the Commonwealth's general fund.

In 2013, the Department had 355,166 active permits on file. However, it is not feasible to estimate exact anticipated fiscal impact on the Commonwealth's revenue on an annual basis because it is not known how many current handgun permit holders or new applicants will choose to apply for either a five-year permit or a lifetime permit, and the number of permits renewed permits fluctuates annually. If most applicants obtain life time permits, it is possible for the general fund revenue to decline due to the permit renewal no longer will be required.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/29/2015-SB689S1.docx (LAJ)