

Commission on Local Government

Estimate of Local Fiscal Impact

2017 General Assembly Session

Bill: HB 1458

Patron: Lingamfelter

Date: 1/11/2017

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Local law enforcement; fees for concealed handgun permits; courthouse and courtroom security; assessment. Eliminates (i) the fee, under current law up to \$35, that a local law-enforcement agency is permitted to charge for conducting the background investigation for a concealed handgun permit and (ii) the requirement that the local law-enforcement agency forward to the State Police any amount assessed by the FBI for providing criminal history record information in the background investigation. The bill makes discretionary the current mandatory fee of up to \$10 charged by the clerk for processing a concealed handgun permit application or issuing a permit. The bill increases from \$10 to \$20 the maximum amount, designated solely to fund courthouse and courtroom security, that a local governing body may assess against a convicted defendant as part of the costs in a criminal or traffic case in district or circuit court.

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### Executive Summary:

HB 1458, eliminates local law enforcement agency's (i) authority to charge the fee for background investigation for concealed handgun permit and (ii) requirement for forwarding any amount assessed by the FBI for providing criminal history record information in the background investigation to the state police. The bill also makes discretionary the current mandatory fee up to \$10 charged by the clerk for processing a concealed handgun permit application or issuing a permit and increases the fee from \$10 to maximum \$20 against a convicted defendant, designated solely to fund courthouse and courtroom security.

Because the bill makes several changes (both positive and negative) to several fees, localities have evaluated both positive and negative fiscal impacts for HB 1458.

Some localities have evaluated a net negative fiscal impact ranging from \$8,000.00 - \$150,000.00 and noted that the elimination of the concealed weapon permit fee is essentially an unfunded state mandate. The bill would also prohibit localities from recovering the cost/staff time committed to process permits and perform background checks.

Some localities have evaluated a net positive fiscal impact ranging from \$18,250.00 - \$1,275,000.00. Localities noted that the increase in fees assessed for convicted defendants and elimination of fees from both background checks and handgun permits would result in a net revenue increase.

Some localities noted that the bill would not create any fiscal burden to them as the function is handled by another jurisdiction or the locality is not responsible for courthouse or courtroom security.

Please note that the net negative fiscal impact assessed by localities for the elimination of fees for both background checks for concealed handgun permits and issuing handgun permit ranged from \$6,250.00 - \$238,000.00. The positive fiscal impact assessed for the increase in fees for convicted defendants ranged from \$24,500.00 - \$1,580,000.00.

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## Local Analysis:

**Locality:** City of Danville

**Estimated Fiscal Impact:** \$54,000.00

It is important to note that this bill would eliminate revenues in one area and increase revenues in another – overall, the impact would be a net increase.

For the portion of the bill related to concealed weapon permits, this is essentially an unfunded mandate by the State. Danville Police Department will still have to process permits and perform background checks, with no ability to recover the cost/staff time committed to this process. The City would lose approximately \$12,000 in revenue while employees still fulfill the same obligation.

For the portion of the bill related to fees for courthouse and courtroom security, the additional revenue (approximately \$66,000) would be welcome. The current funding received from this fee help support personnel. An increase in this fee would help better cover the cost of their salaries/benefits and other necessary improvements for courthouse security.

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Locality: City of Harrisonburg

Estimated Fiscal Impact: \$8,000.00

The estimated annual fiscal impact would be \$8,000 per year in lost revenue. However, the Harrisonburg Police Department works with the local Courts and Rockingham County as they all play a part in this. Currently the number of permits issued costs the city much more than the revenue generated.

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**Locality:** City of Lynchburg

**Estimated Fiscal Impact:** \$35,000.00

The City of Lynchburg issued about 1,000 concealed handgun permits last year so this revenue would be lost.

In addition, the staff cost to conduct the background investigation does not go away as the demand for concealed handgun permits has doubled over the past 5 years and continues to increase.

This becomes one more instance where the State limits a locality from collecting revenue for services provided.

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Locality: City of Manassas

Estimated Fiscal Impact: \$0.01

The City of Manassas does not do background checks for concealed handgun permits. This function is handled by the Prince William County Sheriff's office for both the county and city.

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**Locality:** City of Norfolk

**Estimated Fiscal Impact:** \$150,000.00

The Clerk of the Circuit Court processes an average of 3,000 concealed permits per year. Eliminating the local fee of \$35 would result in an estimated loss of between \$95,000 and \$150,000 annually. Excluding revenue generated from local tax collection, the loss of this permit revenue would represent a five percent reduction of the Clerk's General Fund revenue budget.

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Locality: City of Roanoke

Estimated Fiscal Impact: \$38,500.00

Analysis results in a \$38,500 revenue loss to the locality.

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**Locality:** City of Winchester

**Estimated Fiscal Impact:** \$18,250.00

I estimate a negative impact of \$6,250 from section 1A and a positive \$24,500 from section D to net out to a positive \$18,250

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Locality: Fairfax County.

Estimated Fiscal Impact:
\$1,275,000.00

Analysis: The bill consists of three parts. (i) would eliminate the \$35 fee that local law enforcement agencies are permitted to charge for conducting a background investigation for a concealed handgun permit. Fairfax County's revenue reduction would be approximately \$238,000 annually. (ii) would eliminate the mandatory fee of \$10 charged by the Clerk for processing a concealed handgun permit. Fairfax County's revenue reduction would be approximately \$68,000 annually. (iii) would increase the maximum amount from \$10 to \$20 for funding courthouse and courtroom security that a local governing body may assess against a convicted defendant. An increase in the fee to \$20 would increase revenues by approximately \$1.58 million for Fairfax County.

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**Locality:** Town of Boones Mill

**Estimated Fiscal Impact:** \$1.00

There would be no direct fiscal impact upon the Town of Boones Mill.

Small towns do not maintain court systems, so the bill would not affect our small police department or our general fund.

I'm concerned about how the bill might have some indirect or third-order effect that could impact small towns like Boones Mill.

- 1. Reduction in fee for service revenue. It's a sound principle to assess a user fee for the service of permitting. Localities should be able to assess such fees for staff time. If localities lose the user fee revenue, their general funds will be stressed. While small towns don't perform this service, any stress upon our surrounding county's sheriff's department is felt by our small police department.
- 2. Effect of public health. There is an admittedly weak chain of logic that lower fees on gun permits will increase their number, and that more guns in circulation will mean more gunshot injuries and deaths. As a public health matter, these incidents stress medical systems and reduce the active workforce and consumer base. We should therefore not reduce fees in such a way as to make gun ownership easier.
- 3. Effect on low-income convicts. The final part of the bill increases court fees on convicts. Many localities are stressed by capital and operational costs of court security, so the increased revenue would be helpful. But the often crushing burden and negative effects of court fees on convicts is a more serious issue. The harm of high fees has been well documented, especially loss of drivers license due to unpaid fees. Court fees have disproportionate harm to low-income families, and therefore to minorities. We should strive to reduce court fees, not increase them,

For these reasons I would oppose this bill. But its direct impact on small towns is negligible.

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Locality: Town of Christiansburg **Estimated Fiscal Impact:** \$0.01

The Town does not issue concealed handgun permits and does not do background investigations for them - these are all issued through Montgomery County Clerk of Courts. The Town is not responsible for courthouse or courtroom security.

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**Professional Organization Analysis:**

**Organization:** Virginia League of Social Services Executives

No comment.

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