

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1337
Judiciary

(Delegate Rose, *et al.*)

Public Safety - Handgun Permits - Active, Reserve, or Retired Military

This bill establishes a presumption that an applicant for a handgun permit who is an active, reserve, or retired member of the U.S. Armed Forces or the National Guard has a “good and substantial reason” to wear, carry, or transport a handgun.

Fiscal Summary

State Effect: General fund revenues from handgun permit and renewal fees may increase significantly, offset by a potential significant increase in general fund expenditures to process permit applications and renewals. The number of additional permit applications submitted as a result of the bill cannot be reliably estimated at this time.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Generally, an applicant for a handgun permit must, among other requirements, have a good and substantial reason to wear, carry, or transport a handgun. “Good and substantial reason” includes a finding that the permit is necessary as a reasonable precaution against apprehended danger.

Current law requirements and background relating to the issuance of handgun permits is summarized in the **Appendix – Handgun Permit Requirements – Current Law/Background.**

State Revenues: General fund revenues likely increase significantly beginning in fiscal 2019 due to an increase in the number of initial handgun permits issued by the Department of State Police (DSP). Although a reliable estimate of the number of additional handgun permit applications issued as a result of the bill cannot be made, based on the surge in handgun sales in recent years and the experience in other states when eligibility for handgun permits is expanded, it is assumed that a significant number of additional handgun permits are sought under the bill. *For illustrative purposes only*, if the bill increases the number of initial applications by 10,000 in fiscal 2019, general fund revenues from handgun permit fees increase by an estimated \$750,000 in that year. While permit fee revenue under this illustrative example is estimated to total \$991,875 in fiscal 2021 (reflecting both new applications and renewals), assuming that initial handgun permit applications decline by 15% per year, and that the total number of permits renewed decreases by 10% annually, by fiscal 2023, the increase in general fund revenues for initial applications and renewals decreases to \$756,005. Under this illustrative example, **Exhibit 1** shows the estimated increase in general fund revenues from additional handgun permit fees through fiscal 2023.

Exhibit 1
Illustrative Example – Estimated Handgun Permit Fee Revenue under the Bill

| | <u>FY 2019</u> | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| New Apps. | 10,000 | 8,500 | 7,225 | 6,141 | 5,220 |
| Fee Revenue | \$750,000 | \$637,500 | \$541,875 | \$460,594 | \$391,505 |
| Renewals | - | - | 9,000 | 8,100 | 7,290 |
| Fee Revenue | - | - | \$450,000 | \$405,000 | \$364,500 |
| Total Revenue | \$750,000 | \$637,500 | \$991,875 | \$865,594 | \$765,005 |

Source: Department of Legislative Services

State Expenditures: Without actual experience under the bill, the Department of Legislative Services is unable to reliably estimate the need for additional personnel for DSP to process additional handgun permit applications. However, DSP has traditionally advised that one sworn supervisor, four sworn investigators, six civilian contractual administrative aids, and four civilian contractual background investigators are needed for every 10,000 additional handgun permit applications received. *For illustrative purposes only*, the cost associated with hiring these 30 additional personnel is \$848,817 in fiscal 2019 (which accounts for the bill’s October 1, 2018 effective date and includes one-time start-up costs) and ranges from \$485,142 in fiscal 2020 to \$774,126 in fiscal 2023.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2018
nb/lgc

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Appendix

Handgun Permit Requirements – Current Law/Background

Generally, with certain exceptions, to be issued a handgun permit by the Secretary of State Police, an applicant (1) must be 18 or older; (2) must not have been convicted of a felony or misdemeanor for which a sentence of imprisonment for more than one year has been imposed or, if convicted, must have been pardoned or been granted relief under federal law; (3) must not have been convicted of a controlled dangerous substance violation and must not presently be an addict, a habitual user of a controlled dangerous substance, or an alcoholic; (4) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to the applicant or another; (5) must have successfully completed, prior to application and each renewal, a specified firearms training course approved by the Secretary; (6) if younger than 30, must not have been committed to a facility for juveniles for longer than one year or adjudicated delinquent for a crime of violence, a felony, or misdemeanor that carries a statutory penalty of more than two years; and (7) must have a good and substantial reason to wear, carry, or transport a handgun. “Good and substantial reason” includes a finding that the permit is necessary as a reasonable precaution against apprehended danger. The Secretary may limit the geographic area, circumstances, or times of day, week, month, or year in which a permit is effective.

A handgun permit applicant must successfully complete, prior to the application and each renewal, a firearms training course approved by the Secretary that includes (1) for an initial application, a minimum of 16 hours of instruction by a qualified handgun instructor, or 8 hours of instruction for a renewal application; (2) classroom instruction on State firearm law, home firearm safety, and handgun mechanisms and operation; and (3) a firearms qualification component that demonstrates the applicant’s proficiency and use of the firearm.

An applicant for a permit is not required to complete a certified firearms training course if the applicant:

- is a law enforcement officer or a person who is retired in good standing from service with a law enforcement agency of the United States, the State, or any local law enforcement agency in the State;
- is a member, retired member, or honorably discharged member of the U.S. Armed Forces or the National Guard;
- is a qualified handgun instructor; or
- has completed a firearms training course approved by the Secretary.

A handgun permit application costs \$75; two years after the initial permit and every three years thereafter, a \$50 renewal fee is due. In addition, the applicant must pay for fingerprint-based federal and State criminal history background checks for an initial application. A person who applies for a renewal of a handgun permit is not required to be fingerprinted unless the Secretary requires a set of the person's fingerprints to resolve a question of the person's identity.

Generally a handgun permit expires on the last day of the holder's birth month following two years after the date the permit is issued; however, the Secretary may establish an alternative expiration date for a permit to coincide with the expiration of a private detective license, a security guard certification, or a special police officer commission. A permit may be renewed for successive periods of three years each if, at the time of an application for renewal, the applicant possesses the qualifications for the issuance of a permit and pays the renewal fee.

In 2017, the Department of State Police (DSP) received 4,327 new applications for handgun permits and 4,513 handgun permit renewal applications. DSP denied 411 applications in the same year. There are currently approximately 20,043 active handgun permits in the State. It generally takes less than two days to receive the results of a national criminal history records check from the Federal Bureau of Investigation and approximately 90 days to process, investigate, and issue a permit.