

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 37** HLS 22RS 360

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2022	4:35 PM	Author: MCCORMICK
Dept./Agy.: Statewide and State Police		Analyst: Patrice Thomas
Subject: Nonpermitted Concealed Handgun		

WEAPONS/HANDGUNS RE DECREASE SD RV See Note
Provides relative to the concealed carrying of firearms

Present law prohibits the carrying of a concealed firearm; provides for criminal penalties; provides for certain exceptions to the offense; provides that Louisiana residents who meet certain eligibility requirements may apply for and be issued a concealed handgun permit; and requires the person to possess a valid concealed handgun permit to carry a concealed handgun in the state. Proposed law creates an exception to this prohibition for a person who is 21 years of age or older, and who is not prohibited from possessing a firearm under any federal or state law. Proposed law removes the requirement that a person must possess a permit issued by the state to carry a concealed handgun. Proposed law creates the Louisiana Firearm Safety Awareness Act. Proposed law requires State Police to create a 2 hour online education course at no cost that includes specific topics. The course shall consist of 8 video segments at least 15 minutes per video. Proposed law requires State Police to maintain an online searchable database of firearm instructors.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is estimated to increase state expenditures by at least \$20,290 (assumed to be SGF) in the Office of State Police within the Department of Public Safety (DPS) for programming changes to the Concealed Handgun system and an indeterminable amount to develop a 120-minute education course as well as increase by an indeterminable amount to maintain a searchable database of licensed handgun and firearm instructors. The proposed law will require modifications to the State Police Concealed Handgun system. DPS indicates the proposed law may require approximately 250 hours of overtime for the Information Services Section at an average cost of \$80 per hour (\$80 x 250 = \$20,000) plus associated Medicare expenses (\$20,000 x 1.45% = \$290), or a total of \$20,290. To develop the 120-minute online course, the department reports an indeterminable one-time expenditure for video production costs. Currently, State Police maintains a report listing all licensed firearm instructions on its website.

While the proposed law does not otherwise directly impact state or local governmental expenditures, it does eliminate Statutorily Dedicated revenues out of the Concealed Handgun Permit Fund used to support certain functions within the Department of Public Safety, Office of State Police (\$2.95 M based on actuals in FY 21), Local Funds used to support public defender offices, and other various SGR and Local Funds used to support courts, crime labs, etc. The total loss of revenues to support these expenditures is indeterminable (see Revenue Explanation). To the extent that the legislature continues to fund activities in State Police supported by these revenues at the same or a diminished level in subsequent fiscal years, the funding sources supporting the base expenditures must be replaced by SGF or another revenue source to supplant the loss of statutory dedication expenditures. These activities would compete for annual SGF resources along with other significant SGF supported services and activities of the state.

REVENUE EXPLANATION

Proposed law will result in indeterminable decreased revenue from the statutorily dedicated Concealed Handgun Permit Fund. Based on the number of new or renewal of five-year permits for concealed weapons issued in FY 20, the proposed law may result in a revenue decrease of up to \$4.1 M in the Concealed Handgun Permit Fund. DPS reports that in FY 20, 24,000 new, renewal permits, and lifetime permits were issued. Using those numbers as a baseline, the revenue loss could be up to \$4.1 M. NOTE: Some of the permits were issued at half the standard fee because they were for people 65 and older or people with active military status. Additionally, the number of permits issued varies widely from year to year based on external factors such as political influences, world, and national events, etc. In FY 20, concealed permits were down as a result of the statewide ransomware attack and COVID-19. Actual expenditures from the Concealed Handgun Permit Fund have varied between \$3 M and \$5.4 M between FY 15 and FY 21.

DPS reports that the decrease attributable to the enactment of the proposed law may be mitigated to a partial or significant degree because some people may still apply for a concealed weapon permit for several reasons. The Louisiana permit can be used to purchase a firearm due to it being National Instant Criminal Background Check System (NICS) compliant. Also, there are reciprocity agreements with other states that allow concealed carry in those states with a Louisiana permit.

SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer

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CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE ONE

Louisiana Public Defender Board

The proposed law may result in an indeterminable decrease of Local Funds revenue received by district public defender offices to handle cases associated with a failure to have a permit to carry a concealed handgun. District offices are owed a \$40 fee per application for public defense services and defendants are assessed a \$45 special court cost for every conviction or nolo contendere plea. It is unclear how many of the 300 concealed handgun related cases handled by the public defenders annually are solely the result of an illegal carrying a concealed weapon charge only, and how many are in conjunction with other charges. Therefore, the net impact on revenues is likely a decrease but indeterminable.

Other entities receive a portion of fees paid upon conviction of possession of a concealed firearm, and elimination of the requirement to carry a concealed handgun permit may result in decreased SGR and LF revenues to support courts, crime labs, etc. The total loss of revenues for the associated entities is indeterminable.

Senate

Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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