

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 686** HLS 20RS 964

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2020	6:55 AM	Author: MCCORMICK
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Concealed Handgun		

WEAPONS/HANDGUNS OR 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 in order to carry a concealed handgun in the state. Proposed law creates an exception to this prohibition for a person who is 18 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 in order to carry a concealed handgun.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. While proposed law does not 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 Safety and Corrections – Public Safety Services (DPSC-PSS) (estimated at between \$3 M and \$5.4 M based on actual expenditures from FY 15 through FY 19), LF used to support public defender offices and other various SGR and LF used to support courts, crime labs, etc. The total loss of revenues to support these expenditures is indeterminable (see Revenue Explanation).

NOTE: To the extent that the legislature continues to fund activities in DPSC-PSS 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.

NOTE: DPSC-PSS reports that direct expenditures associated with the concealed weapon permit activity were approximately \$742,000 in FY 19 and approximately \$769,000 in FY 18. There are currently six (6) filled civilian positions, one (1) trooper, two (2) wage employees, and two (2) students. To the extent that demand for concealed carry permits were to diminish with enactment of proposed law, the workload necessitated by this activity is assumed to decrease proportionately (see discussion in Revenue Explanation). DPSC-PSS reports that it would seek to reassign T.O. positions from this section to other needed duties within LSP in the event of a workload decrease.

REVENUE EXPLANATION

The Department of Public Safety and Corrections - Public Safety Services (DPSC - PSS) estimates that proposed law may result in a revenue decrease of up to \$5,292,625 in the statutorily dedicated Concealed Handgun Permit Fund related to new or renewal of five-year permits for concealed weapons based on FY 19 permits issued. DPSC - PSS reports that in FY19, 20,133 new or renewal permits and 5,552 lifetime permits were issued. Using those numbers as a baseline, the revenue loss could be up to \$5,292,625 (20,133 x \$125, 5,552 x \$500). *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 vary widely from year to year based on external factors such a political influences, world and national events, etc. Actual expenditures from the Concealed Handgun Permit Fund have varied between \$3 M and \$5.4 M between FY 15 and FY 19.*

DPSC - PSS reports that the decrease attributable to enactment of proposed law is indeterminable and 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. There are currently 100,337 active, five-year permits that will expire over the course of the next five years. Those permits cost \$125 each. There are also 20,812 lifetime permits in effect, which cost \$500 each.

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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Staff Director

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

Page 2 of 2

The Louisiana Public Defender Board reports that proposed law may result in an indeterminable decrease of LF revenues 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

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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