

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7276**

**BILL NUMBER: SB 555**

**NOTE PREPARED: Feb 21, 2013**

**BILL AMENDED: Feb 21, 2013**

**SUBJECT:** Indiana Firearms Reciprocity License.

**FIRST AUTHOR:** Sen. Hershman

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- (1) Allows a person to obtain an Indiana firearms reciprocity license to carry a handgun in Indiana in addition to or as an alternative to obtaining a qualified or an unlimited license to carry a handgun.
- (2) Provides that, in addition to submitting information required to obtain a qualified or an unlimited license to carry a handgun, to obtain an Indiana firearms reciprocity license, a person must also submit:
  - (a) a recent dated photograph of the person;
  - (b) evidence of the person's general familiarity with firearms; and
  - (c) if the person is not a resident of Indiana, evidence that the person resides in a state that recognizes the validity of the Indiana firearms reciprocity license or otherwise has reciprocity with Indiana's handgun license law.
- (3) Specifies that for a person to show evidence of general familiarity with firearms, the person must show that the person has received training in:
  - (a) the safe loading, unloading, storage, and carrying of firearms, including handguns; and
  - (b) current laws defining the lawful use of firearms by a private citizen.
- (4) Provides that a person may satisfy the general familiarity requirement by:
  - (a) successfully completing a firearms safety or training course conducted by a national, state, or local firearms training organization approved by the Superintendent of the State Police Department (ISP);
  - (b) successfully completing a firearms safety or training course with a licensed Indiana firearms instructor; or
  - (c) obtaining experience with firearms by participating in organized shooting competitions, performing law enforcement activities, or performing military service, as approved by the Superintendent of the

Indiana State Police Department.

- (5) Allows a person to obtain an Indiana firearms instructor license.
- (6) Establishes qualifications for obtaining a firearms instructor license.
- (7) Makes conforming amendments.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** This bill could increase the workload of the Indiana State Police (ISP) to provide a firearms reciprocity and firearms instructor license. Additionally, ISP workload could increase to provide more firearm training courses to individuals who seek reciprocity and instructor licenses. Actual increases in workload are indeterminable, but expected to be financed with the collection of application fees, license fees, and firearm training course user fees.

**Explanation of State Revenues: Summary:** This bill could increase revenue the state receives from firearms reciprocity license and firearms instructor license fees, firearm training program user fees, and from fines assessed against individuals convicted of Class A and B misdemeanors. Actual increases in state revenue are indeterminable.

**Additional Information:** Under the bill, the ISP will be authorized to collect fees for firearms reciprocity firearms instructor licenses.

Fee Type	Reciprocity License		Instructor License	
	Initial Application	Renewal Application	Initial Application	Renewal Application
Application	\$50	Bill is Silent	\$50	\$25
License	\$30	Bill is Silent	Bill is Silent	Bill is Silent
Duplicate or Replacement	\$20	Bill is Silent	Bill is Silent	Bill is Silent

**Application Fees:** The bill provides that the application fee for a reciprocity license and firearm instructor license is \$50. The application fee for a renewal of an instructor license is \$25. The bill is silent with regards to a renewal application fee for a reciprocity license.

Revenue collected from a reciprocity license application fee is designated for use in training law enforcement officers in firearms or the purchase of firearms, firearm-related equipment, or body armor. Revenue collected from a firearm instructor license application fee can be used to cover the cost of maintaining and improving the firearms instructor courses in the state.

**License Fees:** The license fee for the first issuance of a reciprocity license is \$30, which is deposited in the General Fund. The bill is silent regarding a renewal license fee for a reciprocity license and any license fee for an instructor license.

**Duplicate/Replacement Fees:** The fee for a duplicate or replacement reciprocity license is \$20, which is deposited in the General Fund. The bill is silent regarding any fees for a duplicate or replacement instructor license.

The reciprocity and firearm instructor license are valid for four years. Individuals with at least 20 years of service as a law enforcement or correctional officer are exempt from the fees for a reciprocity license.

*Impact to General Fund Revenue:* According to IC 10-13-3-40, when the General Fund receives more than \$1.1 M in revenue from handgun license fees, the excess is appropriated to the ISP. Although language in the bill specifies revenue collected from reciprocity license fees (all fees excluding application fees) is to be deposited in the General Fund, to the extent the General Fund has already received \$1.1 M in revenue from handgun licenses, revenue collected from these fees would be appropriated back to the ISP.

For FY 2012, revenue from handgun permit fees was approximately \$4.4 M. The state has not collected less than \$1.1 M in handgun permit fee revenue over the past five fiscal years. As a result, this bill is expected to increase revenue appropriated back to the ISP.

*Training Courses:* This bill could increase revenue the ISP receives from firearm training course user fees. Increases in revenue are unknown, but expected to offset the cost of providing firearm instruction to applicants for instructor and reciprocity licenses.

*Penalty Provision:* Under the bill, individuals who fail to promptly return a reciprocity license upon suspension or revocation by the ISP could be convicted of a Class A misdemeanor. Additionally, individuals who knowingly or intentionally violate provisions of the law governing the reciprocity or instructor license could be convicted of a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000 and a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** This bill will increase the workload of local law enforcement agencies to process requests for reciprocity licenses. Additionally, local law enforcement workload could increase to provide more firearm training courses to individuals who seek reciprocity and instructor licenses. Actual increases in workload are indeterminable, but expected to be financed with the collection of application fees, license fees, and training course user fees.

*Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail and a Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** *Summary:* This bill could increase local revenue from application fees for a firearms reciprocity license, firearm training program user fees, and from court fees for Class A and B misdemeanor convictions. Increases in revenue are indeterminable.

*Additional Information:*

*License Fees:* Under the bill, local law enforcement agencies will be authorized to collect a \$50 application fee for firearms reciprocity licenses. Revenue collected from these application fees is designated for use in training law enforcement officers in firearms or to purchase firearms, firearm-related equipment, or body armor. In instances where an application is first received by a city or town's law enforcement agency, the revenue collected from the application fee is to be deposited in the Local Law Enforcement Continuing Education Fund

(IC 5-2-8-2).

*Training Courses:* This bill could increase revenue that local law enforcement agencies receive from firearm training course user fees (to the extent local units offer a training course that is approved by the ISP). Increases in revenue are unknown, but expected to offset the cost of providing firearm instruction to applicants for instructor and reciprocity licenses.

*Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** ISP.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 232-9559.