

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7276

BILL NUMBER: SB 555

NOTE PREPARED: Feb 26, 2013

BILL AMENDED: Feb 25, 2013

SUBJECT: Indiana Firearms Reciprocity License.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR: Rep. Torr

BILL STATUS: As Passed Senate

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:
 - (1) a recent dated photograph of the person;
 - (2) a certificate demonstrating that the person has successfully completed a handgun safety and training program; and
 - (3) 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 the requirements of a handgun safety and training program, including:
 - (1) the program and the instructor must be certified by a national or state firearms training organization;
 - (2) the program must consist of at least eight hours of instruction, including three hours of instruction on a firing range; and
 - (3) the program must require the firing of at least 45 rounds of ammunition.
- (4) Makes it a Class D felony for a person to falsely certify completion of a handgun safety and training program.
- (5) Provides that Indiana will not recognize a handgun license issued by a state which recognized an Indiana qualified or unlimited handgun license on March 1, 2013, but which after that date recognizes only the Indiana

firearms reciprocity license and refuses to recognize a qualified or unlimited handgun license.

(6) Permits the Indiana State Police (ISP), in consultation with the Attorney General, to enter into a reciprocity agreement with another state.

(7) Permits issuance of a lifetime reciprocity license, and requires the ISP to reevaluate the holder of a lifetime reciprocity license every four years, and to revoke the license if the person is no longer eligible for the license.

(8) 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.

(Revised) *Penalty Provision:* Under the bill, individuals who provide training certification to individuals who did not satisfactorily complete firearms instruction could be convicted of a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$3,234 annually, or \$8.86 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: (Revised) *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 and Class D felonies. Actual increases in state revenue are indeterminable.

(Revised) *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
4-Year License	\$30	Bill is Silent	Bill is Silent	Bill is Silent
Lifetime License	\$75	N/A	Bill is Silent	N/A
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.

(Revised) *License Fees*: The license fee for the first issuance of a reciprocity license is \$30 and for a lifetime reciprocity license is \$75, which is deposited in the General Fund. The bill is silent regarding a renewal license fee for a 4-year 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.

(Revised) *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, for a Class B misdemeanor is \$1,000, and for a Class D felony is \$10,000.

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.

(Revised) *Penalty Provision*: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small. Additionally, 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: (Revised) *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 and Class D felony 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. Department of Correction.

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

Information Sources:

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