

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

TO: Honorable Sid Miller, Chair, House Committee on Homeland Security & Public Safety

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2613 by Flynn (Relating to the establishment of a procedure under which a person may maintain a license to carry a concealed handgun.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2613, As Introduced: a positive impact of \$20,024,078 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$9,357,046
2013	\$10,667,032
2014	\$12,160,416
2015	\$13,862,875
2016	\$15,731,904

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Savings from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>State Highway Fund</i> 6	Probable (Cost) from <i>Oper & Chauffeurs Lic</i> Ac 99
2012	\$9,314,550	\$42,496	(\$3,701,148)	(\$296,688)
2013	\$10,618,587	\$48,445	(\$3,191,967)	(\$197,451)
2014	\$12,105,189	\$55,227	(\$3,119,167)	(\$197,451)
2015	\$13,799,916	\$62,959	(\$3,196,237)	(\$201,510)
2016	\$15,731,904	\$0	(\$3,119,167)	(\$197,451)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	44.4
2013	44.4
2014	44.4
2015	44.4
2016	44.4

Fiscal Analysis

The bill would amend the Government Code to establish procedures to allow persons to indefinitely

maintain a concealed handgun license by providing continuing eligibility documents at regular intervals. The bill's provisions would replace the current system of expiration of a license after a certain time.

The bill authorizes the Department of Public Safety to increase the fee on an initial concealed handgun license from \$140 to \$280. The bill would repeal several sections of the Government Code related to expiration of concealed handgun licenses for certain groups, to conform to the bill's provisions.

The bill's provisions would apply only to a license to carry a concealed handgun that is issued on or after the effective date. The bill would take effect September 1, 2011.

Methodology

Increasing the initial fee for a concealed handgun license would result in a gain to General Revenue of \$19.9 million during the biennium. The state would also realize a General Revenue savings of \$90,941 during the biennium through the elimination of the production process for renewal license cards.

The bill's provisions would require significant modification to various aspects of the Concealed Handgun License program. The Department of Public Safety (DPS) reports costs related to program modifications would be significant, including: staff time related to initiating license suspension actions; increased mail processing operations; programming changes to online license application and payment systems; and the maintenance and administration of a duplicate set of application criteria depending on the date of original application.

DPS also reported that the bill's provisions could increase the number of concealed handgun license hearings conducted throughout the state and creates an incentive for license holders to appeal proposed suspensions. By appealing a proposed suspension, a license holder would extend their license time without paying the required fees, because an appeal would delay the imposition of the suspension. Based on a current average of 1,100 license expirations prior to renewal per month, DPS estimates that approximately 275 license holders would appeal a suspension each month, requiring DPS to hire 41 additional attorney and legal secretary positions to comply with the statutory hearing deadlines. DPS would also require three (3) public safety records technicians and .4 of an Accountant V position.

The expenses reported by DPS would be realized in State Highway Funds and the Operators and Chauffeurs Fund.

Local Government Impact

The bill's provisions could increase local government costs to the extent an increase in the number of hearings on concealed handgun license suspensions are experienced in Justice of the Peace courts. This impact cannot be determined.

Source Agencies: 405 Department of Public Safety

LBB Staff: JOB, ESi, GG, KY