

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Phil King, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB375 by Stickland (Relating to providing for the carrying of handguns without a license and to related offenses and penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB375, As Introduced: a negative impact of (\$37,853,102) through the biennium ending August 31, 2019.

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
2018	(\$21,681,154)
2019	(\$16,171,948)
2020	(\$24,168,527)
2021	(\$16,155,755)
2022	(\$21,648,526)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Appropriated Receipts</i> 666	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2018	\$318,846	(\$4,713,373)	(\$22,000,000)
2019	\$328,052	(\$4,849,472)	(\$16,500,000)
2020	\$336,473	(\$4,973,942)	(\$24,505,000)
2021	\$344,245	(\$5,088,840)	(\$16,500,000)
2022	\$351,474	(\$5,195,705)	(\$22,000,000)

Fiscal Analysis

The bill would amend Chapters 30 and 46 of the Penal Code to provide that a person who is not otherwise prohibited by law from possessing a firearm shall not be required to obtain any license to carry (LTC) a handgun as a condition for carrying a handgun. The bill would also remove the

penalties associated with possession of a handgun without an LTC, provided a person is not otherwise prohibited by law from possessing a handgun. The bill would also add certain locations to the list of places where a person commits an offense if the person intentionally, knowingly, or recklessly carries a handgun.

The bill would amend Chapter 411 of the Government Code to remove the requirement for a person to possess an LTC in order to carry a concealed handgun in certain locations. The bill would also provide that the mere possession or carrying of a handgun, openly or concealed, with or without a license shall not constitute reasonable belief for a peace officer to disarm or detain an otherwise law-abiding person.

The bill would also amend Chapter 229 of the Local Government Code to remove the ability for a municipality to regulate the carrying of a firearm at a public park or a political rally, parade, or other official political meeting.

The bill would repeal certain provisions of the Government Code and Penal Code relating to the requirements to display an LTC and the unlawful carrying of weapons.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect on the 91st day after the last day of the legislative session.

Methodology

The Department of Public Safety (DPS) reports the per-applicant cost to administer the LTC program totals \$27, which accounts for background checks required by the Federal Bureau of Investigation (FBI) and the State. DPS also reports that the cost of these background checks are paid for by an applicant's LTC application fee. Of this fee amount, the agency retains \$17 per application with these amounts counted towards the agency's Appropriated Receipts and the remainder remitted to the FBI. The remaining portion of each application fee is deposited into General Revenue Fund 01.

While the bill would remove the penalties associated with the carrying of a handgun, it would not eliminate the LTC program. This analysis assumes that the number of original and renewal LTC applications would decline by 90 percent beginning in fiscal year 2018. It is estimated that this would result in a cost savings to the agency's General Revenue Funds in the amounts of \$382,615 in fiscal year 2018 and \$393,663 in fiscal year 2019, as they relate to the cost to produce and mail LTC cards. It is also estimated that this would result in a loss in revenue to the agency's Appropriated Receipts in the amounts of \$4.7 million fiscal year 2018 and \$4.9 million in fiscal year 2019.

The Comptroller of Public Accounts estimates a revenue loss of \$22.0 million in fiscal year 2018 and \$16.5 million in fiscal year 2019 to General Revenue Fund 01.

This analysis assumes administrative duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed

and collected is not anticipated to have a significant fiscal implication.

Under the provisions of the bill, a Class C misdemeanor is punishable by a fine of not more than \$200. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 458 Alcoholic Beverage Commission

LBB Staff: UP, FR, AI, JSm, JGA