

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 19, 2017

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB16 by Nichols (Relating to the removal of a fee for the issuance of an original, duplicate, modified, or renewed license to carry a handgun.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB16, As Introduced: a negative impact of (\$55,375,608) 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	(\$30,317,717)
2019	(\$25,057,891)
2020	(\$33,282,544)
2021	(\$25,480,305)
2022	(\$31,168,891)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund	Probable Savings/(Cost) from General Revenue Fund
	1	1
2018	(\$22,000,000)	(\$8,317,717)
2019	(\$16,500,000)	(\$8,557,891)
2020	(\$24,505,000)	(\$8,777,544)
2021	(\$16,500,000)	(\$8,980,305)
2022	(\$22,000,000)	(\$9,168,891)

Fiscal Analysis

The bill would amend the Government Code to eliminate the fees for the issuance of an original, duplicate, modified, or renewed license to carry a handgun.

The bill would also repeal certain sections of the Government Code pertaining to fees associated

with: 1) duplicate licenses for change of address or name, 2) original or renewed licenses due to revocation, 3) indigency, 4) senior citizens, 4) veterans of the United States armed forces, 5) employees of the Texas Department of Criminal Justice, 6) corrections department officers and juvenile probation officers, 7) honorably retired peace officers, 8) peace officers, and 9) former reserve law enforcement officers.

The bill would also amend the Local Government Code to eliminate certain fees under Section 118 from the list of fees a county clerk is authorized to set and collect, not later than September 1, 2019.

The bill would take effect on September 1, 2017.

Methodology

The Department of Public Safety (DPS) reports that the total number of original and renewal license to carry (LTC) applications have increased from 155,932 applications in fiscal year 2011 to 386,397 applications in fiscal year 2016. The average rate of growth over these years is 23 percent. This analysis assumes the number of applicants for an original and renewal LTC would total 308,064 in fiscal year 2018 and 316,959 in fiscal year 2019.

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 and the State. DPS also reports that the cost of these background checks are paid for by an applicant's LTC application fee. The remaining portion of each application fee is deposited into General Revenue Fund 01.

This analysis assumes that an original or renewal application fee of \$0 for LTC applications would result in a cost to DPS in the amount of \$8.3 million in General Revenue Funds in fiscal year 2018 and \$8.6 million General Revenue Funds in fiscal year 2019.

The Comptroller of Public Accounts estimates a 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 utilizing existing resources.

Local Government Impact

According to the Texas Association of Counties, there may be a cost to counties currently conducting the mental health background check; however, we do not anticipate those costs will be significant.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety

LBB Staff: UP, AG, AI, FR, JGA, LCO