LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 10, 2021

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB2247** by Huffman (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 SB2247, As Introduced : a negative impact of ($39,219,062) through the biennium ending August 31, 2023.

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*
2022	($19,609,531)
2023	($19,609,531)
2024	($19,609,531)
2025	($19,609,531)
2026	($19,609,531)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from *General Revenue Fund* 1
2022	($19,609,531)
2023	($19,609,531)
2024	($19,609,531)
2025	($19,609,531)
2026	($19,609,531)

Fiscal Analysis

The bill would amend Chapter 411 of the Government Code regarding the Department of Public Safety (DPS) and Chapter 118 of the Local Government Code regarding fees charged by county officers, relating to the removal of fees for the issuance of an original, duplicate, modified, or renewed license to carry (LTC) a handgun.

The bill would amend Sections 411.0625(c) and 411.173(a) of the Government Code to remove references to fees related to the issuance of licenses to carry a handgun and fees related to a criminal history record check for both resident and nonresident applicants for a pass for expedited access to the Capitol. The bill would

amend Section 411.179 to redefine "veteran" for purposes of the subsection relating to the form of the handgun license. The bill would amend Sections 411.174(a), 411.181(h) and 411.185(a) to remove the nonrefundable $40 application and license fees, duplicate license fees, and renewal fees.

The bill would amend Sections 411.186(a) and (c) to remove references to application fees or to fees payable resulting from a revocation of a license and Section 411.190(c) to remove the fee for a background check for a handgun instructor. Additionally, the bill would amend Sections 411.201(d) and (h) to remove the nonrefundable application and license fees for active or retired judicial officers and felony prosecutors, and references to duplicate or renewed license fees.

The bill would amend Section 118.011(b) of the Local Government Code to remove mental health background check fees for a license to carry a handgun.

This bill would take effect September 1, 2021.

Methodology

DPS's revenue loss estimate consists of $17.8 million in application fee revenue and $1.8 million in card modification fee revenue.

The bill would require DPS' Regulatory Services Division (RSD) to update policies, reports, standard operating procedures, forms, and the website. The RSD projects a possible 38 percent increase (or an additional 187,956) in LTC applications over the fiscal year 2020 total of 494,620 applications, resulting in a total of 682,576 annual applications. This assumption is based on the 38 percent increase of applications in the fiscal year 2017 and 2018 period after the fee for a standard handgun license was reduced from $140 to $40. DPS indicates that there would be additional costs to administer the growth in applications, however this cost cannot be determined at this time.

According to DPS, updates to policies, procedures, reports, standard operating procedures, forms, and the website would be completed using existing resources.

Technology

According to DPS, vendor costs to update the online application is estimated to cost $129,000 in fiscal year 2022.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JMc, KK, KFB, NA, SD