

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 441

SHORT TITLE: Handgun Fee Reallocation

SPONSOR(S): Senators Plyler, et al.

\$ ESTIMATE FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
REVENUES					
New Permits Sheriff	\$211,710	\$211,710	\$211,710	\$211,710	\$211,710
GF Judicial	(\$211,710)	(\$211,710)	(\$211,710)	(\$211,710)	(\$211,710)
Renewals Sheriff			\$289,845	\$211,710	\$211,710
GF Judicial			(\$289,845)	(\$211,710)	(\$211,710)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	N. C. Department of Justice County Sheriff Departments				
EFFECTIVE DATE:	July 1, 1997				

BILL SUMMARY:

The proposed act reallocates the \$80.00 application fee and the renewal fee authorized under G.S. 14-415.19(a) in the following manner: the Department of Justice is to receive \$45.00 instead of the authorized \$60.00 and the remaining \$35.00 of the application fee is received by the county sheriff. Under the current allocation, the county sheriff receives \$20.00 of the application and renewal fee.

ASSUMPTIONS AND METHODOLOGY:

In June of 1995, the Fiscal Research Staff, using information provided by the Administrative Office of the Courts, estimated over a seven year period that 14,114 citizens a year would obtain concealed handgun permits. The act became effective on December 1, 1995. For the fiscal year ending June 30, 1996, 19,323 permits had been issued. The number of permits issued in fiscal year 1995-96 averages out to be 2760 a month for the last seven months of the fiscal year. In the

first nine months of fiscal year 1996-97, 7,634 permits were issued for an average of 848 permits a month. The monthly average based on the June 1995 estimate is 1,176 a month.

The number of permits issued in December of 1995 was 7,356 as compared to 753 in December of 1996; for January of 1996, 3,998 permits were issued as compared to 984 in January of 1997; in February of 1996, 2,575 permits were issued as compared to 1,085 in February of 1997; and in March of 1996, 2,113, permits were issued as compared to 1,015 in March of 1997. The monthly issues appear to be settling around 1,100 a month which is consistent with the 1,176 a month average predicted in 1995. The revenue distribution expected as a result of the passage of this act is based on an estimated 14,114 permits issued for fiscal years 1996-97 through fiscal year 2001-02.

The effective date for Senate bill 441 is July 1, 1997 and the expected revenue from an estimated 14,114 permits issued in fiscal year 1997-98 is \$1.13 million. The Judicial portion of the revenue, under the new distribution is estimated to be \$635,130 and the revenue retained by county sheriffs statewide is \$493,990. Based on a 12 month fiscal year, under the allocation established in this act, the Department of Justice will receive (\$211,710) less revenue and the county sheriffs will gain \$211,710 in revenue.

The reallocation also applies to the renewal of permits. The 19,323 permits issued in fiscal year 1995-96, will be renew in fiscal year 1999-00. The decrease in revenue for the Department of Justice in fiscal year 1999-00 is expected to be (\$289,845) and the gain to the county sheriff departments is \$289,845. The 14,114 estimated permits issued in fiscal year 1996-97 will renew in fiscal year 2000-01 and the 14,114 permits issued in fiscal year 1997-98 will be renewed in fiscal year 2001-02.

The monthly data on handgun permits was provided by the State Bureau of Investigations.

FISCAL RESEARCH DIVISION

733-4910

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