

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

REVISED

BILL NUMBER: House Bill 817 (Second Edition)

SHORT TITLE: Gun Sale Legal w/Concealed Handgun Permit.

SPONSOR(S): Representatives Sexton and Hilton

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
			(\$)		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES					
General Fund					
Department of Justice			* See Assumptions and Methodology *		
Highway Fund - Special					
Plate Acct.	3,000	3,000	3,000	3,000	3,000
County Governments			* See Assumptions and Methodology *		
EXPENDITURES					
Highway Fund - Special					
Plate Acct.	4,437				
General Fund					
Department of Justice			* See Assumptions and Methodology *		
County Governments			* See Assumptions and Methodology *		
POSITIONS: (cumulative)					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Transportation, Department of Justice, and County Sheriffs' Offices.					
EFFECTIVE DATE: When it becomes law.					

BILL SUMMARY: The bill makes two separate changes to existing law. First, it allows any person, firm, or corporation to legally purchase a handgun without first obtaining a permit from the sheriff if the purchaser or receiver has a valid North Carolina concealed handgun permit. There would be no limit to the number of handguns that may be purchased with a concealed handgun permit. Second, it authorizes the issuance of a special license plate bearing the name and logo of the National Rifle Association. The plate may be issued if the Department receives 300 applications, and the National Rifle Association authorizes the use of the name and logo without charge.

ASSUMPTIONS AND METHODOLOGY:

Under current law, an individual who wishes to purchase a handgun must apply to the Sheriff's office in his or her county of residence. The Sheriff runs a computerized background check and charges a \$5.00 fee for the application. Each permit is good for the purchase of one handgun within the next five years; some Sheriffs limit the number of permits per individual each year.

Residents may also apply to their Sheriff's office for a permit to carry a concealed handgun. For this permit, the Sheriff requests a state and national fingerprint criminal background check from the State Bureau of Investigation (SBI). The fee for the permit is \$80, of which \$22 is remitted to the Federal Bureau of Investigation, \$23 to the State Bureau of Investigation, and \$35 is kept by the Sheriff's office. Permits are good for five years; the renewal fee is \$75. Since December 1, 1995, there have been approximately 56,000 concealed handgun permits issued; the SBI performed approximately 12,000 background checks for concealed handgun permits in FY 2002-03.

Under Section 1 of this Bill, an individual with a concealed handgun permit would not be required to obtain a permit to purchase a handgun. Therefore, the Sheriffs' offices would not receive the \$5 per handgun purchased, and they would not incur the costs of approving the permit to purchase. Overall, the Sheriffs Association does not anticipate a significant fiscal impact from this change.

If this Bill results in an increase in the number of concealed handgun permit applications, both the SBI and the Sheriffs' offices would receive additional revenues and perform additional work. We cannot project whether more individuals would apply for concealed handgun permits as a result of this legislation. However, we do not anticipate a significant increase, and any increase in workload would have a corresponding increase in revenue.

Section 2 of the bill authorizes a new National Rifle Association special plate. This fiscal analysis assumes that the plate applicants already register their vehicles in the state and are paying the current \$20 registration fee, thus there is no new revenue for the Highway Fund. The analysis also assumes the issuance of the minimum 300 license plates in FY 2004-05 and renewal of those plates in the following years. There is a one-time cost of \$100 to design a new plate and an average programming cost of \$3,560 per plate to change the State Titling and Registration System (STARS). There is also a one-time cost to manufacture the special plate. The cost of a DMV recommended two-color plate is \$2.59. For 300 new plates in FY 2004-05, the manufacturing cost is \$777 (300 plate minimum X \$2.59). The total one-time cost for the new plate is \$4,437 and is paid from the Special Registration Plate Account.

In addition to the normal \$20 registration fee, each special plate is assessed a \$10 fee that is deposited into the Special Registration Plate Account. Funds in that account are used to fund the State visitor centers, highway beautification, promote travel and tourism, and promote travel accessibility for the disabled. For the 300-plate minimum, this account will receive \$3,000 a year.

SOURCES OF DATA: North Carolina Department of Transportation, Department of Justice, and Sheriffs Association.

TECHNICAL CONSIDERATIONS: None

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Signed Copy Located in the NCGA Principal Clerk's Offices