

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/10
 LAST UPDATED 02/09/10 **HB** _____

SPONSOR Adair

SHORT TITLE Extend Concealed Handgun License Time Limit **SB** 232

ANALYST Weber

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY10	FY11	FY12		
	-\$218.85)	-\$218.85)	Recurring	Concealed Handgun Carry

(Parenthesis () Indicate Revenue Decreases)

Related to SB 212

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Defender Department (PDD)

Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

Senate Bill 232 makes the following changes:

Section 1 amends Section 29-19-3 NMSA 1978 so that the original and renewed concealed handgun licenses shall be valid for a period of ten (10) years rather than the current four (4) years.

Section 2 amends 29-19-6 NMSA 1978 related to license renewal so that:

1. The renewal fee is changed from \$75.00 to \$25.00,
2. The 4 hour refresher firearms training course is no longer required, and,
3. The two-hour refresher firearms training course required two years after the issuance of the original or renewed license is eliminated.

Section 3 amends Section 29-19-14 NMSA 1978 related to Current and Retired Law Enforcement Officers so that a retired law enforcement officers license is valid for 15 years rather than the current 5 years.

FISCAL IMPLICATIONS

There are currently 17,507 active concealed handgun carry licenses. Assuming a normal distribution of renewal activity there would be 4,377 annually for a four year renewal cycle. By lowering the renewal fee from \$75.00 to \$25.00 each year for the next four years the reduced revenue would be \$218.85 thousand each year or \$437.7 thousand for FY11 and FY12. This would be the same annual reduction for FY12 and FY13. However, due to the renewal time period extension to 10 from 4 years, the amended bill would produce no revenue over the next six years while the current statute would general \$1.969 million. The ten year revenue total for the current statute is \$3.282 million compared with the SB 232 revenue total of \$437.7 thousand, a ten year difference of \$2.845 million.

Fiscal Year	Number of Renewals	Revenue at \$75 fee and 4 Yr renewal	Revenue at \$25 fee and 10 Yr renewal	Difference
2011	4,377	\$328,275	\$109,425	-\$218,850
2012	4,377	\$328,275	\$109,425	-\$218,850
2013	4,377	\$328,275	\$109,425	-\$218,850
2014	4,377	\$328,275	\$109,425	-\$218,850
2015	4,377	\$328,275	\$0	-\$328,275
2016	4,377	\$328,275	\$0	-\$328,275
2017	4,377	\$328,275	\$0	-\$328,275
2018	4,377	\$328,275	\$0	-\$328,275
2019	4,377	\$328,275	\$0	-\$328,275
2020	4,377	\$328,275	\$0	-\$328,275
Total		\$3,282,750	\$437,700	-2,845,050

This analysis as previously stated assumes a normal distribution of renewals and also that the renewal cycle will begin in 2011. In addition, there is an assumption that the net number of licenses will remain constant. If there are more licenses then the difference will be greater and if fewer less. Depending on the actual renewal dates the difference for FY11 and FY12 could be more or less but the ten year total is representative.

These funds are appropriated to DPS as required and effectively are used as general fund. If the revenues are reduced it must be anticipated that they will be replaced with an appropriation from the general fund.

DPS reports that an electronic submission method is used to submit fingerprints to DPS and the FBI for the required background check. The fee for an electronic submission is \$33.00, which means that DPS will have to pay out-of-pocket expenses of \$8.00 per renewal transaction and will not be able to recoup any other administrative costs associated with renewing concealed handgun licenses.

SIGNIFICANT ISSUES

DPS adds that the elimination of the two (2) hour Firearms Refresher Training Course would not significantly affect one’s ability to safely manipulate a handgun. However, license renewal after ten (10) years for citizens and fifteen (15) for retired law enforcement officers may be defeating the legislative intent of insuring safe and responsible concealed handgun carry. A two-hour firearms refresher course would not significantly enhance one’s ability to safely manipulate a handgun. Motor skills essential for safe firearms manipulation diminish with time and age and should be assessed every two to four years.

An internet review of concealed carry statutes of our neighboring states Arizona, Oklahoma, and Texas found that none required an additional training course for permit renewal.

MW/svb:mew