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## FISCAL IMPACT REPORT

**SPONSOR** HJC **ORIGINAL DATE** 2/23/17  
**LAST UPDATED** 3/16/17 **HB** 50&548/HJCS  
**SHORT TITLE** Background Checks on Gun Transfers **SB** \_\_\_\_\_  
**ANALYST** Rogers

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0.0	More than \$37.5	More than \$37.5	More than \$75.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to SB 48.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Office of the Attorney General (OAG)

Department of Public Safety (DPS)

Department of Game and Fish (DGF)

### SUMMARY

#### Synopsis of Bill

House Judiciary Committee (HJC) substitute for House Bill 50 and House Bill 548 narrows the types of gun transfers to which this new statute would apply.

It prohibits a firearm from being transferred between two unlicensed persons in a commercial transaction until the transferor and transferee appear together with the firearm at a federal firearm licensee and the federal firearm licensee conducts a background check on the transfer that authorizes the transfer pursuant to U.S.C. Section 922(t). The HJC substitute would only apply to a transfer of a firearm between two unlicensed persons that conduct a “commercial transaction” which is defined as the sale, delivery or passage of ownership of a firearm either proceeding from an advertisement, posting, display or other listing on the internet or in a publication OR at or proceeding from a gun show. The HJC substitute eliminates the prior language which required a background check from a firearm dealer if two unlicensed persons transferred a firearm for a period of more than five days. As a result, the associated exemptions

were also eliminated.

The HJC substitute also removed the language regulating the exact process the federal firearm licensee must follow, other than the requirement that it authorize a transfer pursuant to U.S.C. Section 922(t). For example, it eliminated the language “the firearm dealer shall indicate on the forms that the transfer is between unlicensed persons and may charge a reasonable fee for facilitating the transfer.”

The HJC substitute added the definition of “gun show” which is defined as an event at which more than twenty-five firearms are offered or exhibited for sale, exchange or transfer, and includes the parking lots and other grounds of the venue where the event takes place.

The penalty for a first offense is a misdemeanor while a second or subsequent offense is a fourth degree felony. It specifies that each firearm transferred in violation of this section is a separate offense.

### **FISCAL IMPLICATIONS**

According to the AOC, there will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

The Department of Game and Fish reports the Department would be liable for conducting firearm background checks for all Hunter Education Instructors, volunteers and students. The estimated costs are \$37.5 thousand annually.

According to the OAG, prosecutorial and law enforcement agencies, including the OAG, would be required to dedicate resources to investigating and prosecuting unlawful transfers of firearms.

The bill does not contain an appropriation.

### **SIGNIFICANT ISSUES**

The OAG points out this bill appears modeled on similar legislation proposed or passed around the country in the last few years. For example, the language of the bill closely mirrors Nevada’s recently passed “Ballot Question 1.”

### **PERFORMANCE IMPLICATIONS**

Prosecutorial and law enforcement agencies, including the Office of the Attorney General, would be required to dedicate resources to investigating and prosecuting unlawful transfers of firearms.

DGF reports “the bill’s exceptions will allow the department to continue most current practices regarding programs that involve firearms. However, because educational programs that utilize deactivated firearms are not included among the exceptions, the time, effort and cost of acquiring background checks could affect the department’s ability to conduct hunter education classes and other activities. Without an educational exception, the bill could require transfer background

checks for volunteer instructors, parents, and all students for as many as 100 classes a year with an average of 15 students per class. At approximately \$25 per background check, the cost would be \$37.5 thousand. This would be a burden on instructors, parents, and students, possibly discouraging participation in the classes by young hunters.”

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to SB 48.

TR/jle/al