



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 158 of the 128th G.A.

**Date:** January 26, 2010

**Status:** As Introduced

**Sponsor:** Rep. Domenick

**Local Impact Statement Procedure Required:** Yes

**Contents:** Waiver of concealed-carry (CCW) license application fee for firearms instructors

### State Fiscal Highlights

#### STATE FUND

#### FY 2011 – FUTURE YEARS

##### General Reimbursement Fund (Fund 1060)

Revenues	Loss of up to \$45,000 or more in CCW fees for every five-year license renewal cycle
Expenditures	Potential decrease, commensurate with revenue loss

##### Other Funds of the Attorney General

Revenues	- 0 -
Expenditures	Potential increase to offset loss of CCW fees

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- **General Reimbursement Fund.** As a result of the bill's fee waiver provision, it is estimated that the General Reimbursement Fund will lose up to \$45,000 or more in CCW license renewal fees. Since CCW licenses are valid for five years, this revenue loss would presumably be spread over a five-year period. The purpose of these moneys would have been to assist in the financing of the Attorney General's Bureau of Criminal Identification and Investigation (BCII) background check operations.
- **Other Funds of the Attorney General.** To the extent that BCII loses CCW license fee revenues that would otherwise have been used to cover the cost of performing background checks, the Attorney General may need to tap cash in other state funds to finance those activities.

# Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2010 – FUTURE YEARS

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## Concealed Handgun License Issuance Expense Fund

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Revenues	Loss of up to \$150,000 or more statewide in CCW fees for every five-year license renewal cycle
Expenditures	Potential decrease, commensurate with revenue loss

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Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **County Sheriffs.** As a result of the bill's fee waiver provision, it is estimated that the county sheriffs statewide will lose up to \$150,000 or more in CCW license renewal fees that would otherwise have been collected and deposited in their respective county treasuries to the credit of the Concealed Handgun License Issuance Expense Fund. Since CCW licenses are valid for five years, this revenue loss would presumably be spread over a five-year period. The purpose of these moneys would have been to assist with the costs incurred by the sheriff in connection with performing their CCW license duties and responsibilities. Whether any given county sheriff would, as a result of this revenue loss, need to utilize other moneys appropriated from the county treasury for these purposes is uncertain.

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## Detailed Fiscal Analysis

### Overview

The fiscally relevant provision of the bill would require county sheriffs to waive the initial application and renewal fees currently charged to certain firearms instructors to obtain a license to carry a concealed weapon (CCW) in the state of Ohio.

### Firearms instructors

It appears that this proposed waiver would apply to two general groups of certified firearms instructors as follows:

- (1) Firearms instructors certified by the Ohio Peace Officer Training Commission, which is administratively supported by the Office of the Attorney General. Commission certified instructors, currently numbering around 9,330, predominately consist of law enforcement officers who are already authorized to carry a concealed handgun. Pursuant to section 2923.125 of the Revised Code, these officers are not required to apply for a CCW license. Since these 9,000-plus instructors are mostly members of the law enforcement community, and are not required to possess a CCW license, legislation waiving the CCW initial application and renewal fees would in all likelihood have no direct fiscal effect on the state and local governments.
- (2) Firearms instructors certified by the National Rifle Association (NRA). According to the national headquarters of the NRA located in Virginia, there are currently around 3,000 NRA-certified firearms instructors in the state of Ohio, and most of these instructors are likely to already have CCW licenses obtained under the current law. In the case of these individuals, a waiver of the license renewal fee would cost the state and local government moneys that would otherwise have been collected.

### License renewal fee

Recently enacted Am. Sub. H.B. 1, the main operating appropriations act of the 128th General Assembly, set the CCW license renewal fee as follows:

- For an applicant who has been a resident of this state for five or more years, a fee of \$50.
- For an applicant who has been a resident of this state for less than five years, a fee of \$50, plus the actual cost of having a background check performed by the Federal Bureau of Investigation (FBI), which is currently \$24.

### State and local fiscal effect

All fees for the issuance or renewal of a CCW license are paid to the county sheriff and deposited in the county's Concealed Handgun License Issuance Fund. In the case of the \$50 renewal fee, the county is required to distribute that entire amount,

except \$35, to the Attorney General to be used to pay the cost of background checks by the Bureau of Criminal Identification and Investigation and the FBI, and to cover administrative costs associated with issuing the license. This means that the Attorney General receives \$15 of each \$50 renewal fee, plus the additional cost charged, if applicable, to perform an FBI background check for an applicant who has been a resident of this state for less than five years.

Assuming the previously noted NRA-certified firearms instructors of around 3,000 would be subject to the proposed wavier, the loss of related license renewal revenue totals an estimated \$150,000 and will affect county sheriffs statewide and the Attorney General as summarized in the table below. The sheriffs' moneys would otherwise have been credited to their respective county's Concealed Handgun License Issuance Expense Fund and the moneys paid to BCII would otherwise have been credited to the state's General Reimbursement Fund (Fund 1060).

<b>Estimated Revenue Loss from CCW License Renewal Wavier</b>			
<b>Estimated Number of Renewals</b>	<b>Estimated Revenue Loss*</b>		
	<b>Total</b>	<b>County Sheriffs</b>	<b>Attorney General</b>
3,000	\$150,000	\$105,000	\$45,000

\*Does not include additional cost charged if renewal applicant is subject to FBI background check.

Since CCW licenses are valid for five years, and these certified firearms instructors would presumably not all renew their licenses in the same year, this estimated loss of \$150,000 would be spread over a five-year period.