

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 22, 2005

TO: Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB322 by Hupp (Relating to concealed handgun licenses for members and veterans of the United States armed forces.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB322, As Engrossed: a negative impact of (\$672,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$328,000)
2007	(\$344,000)
2008	(\$317,000)
2009	(\$328,000)
2010	(\$323,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable (Cost) from <i>STATE HIGHWAY FUND 6</i>	Change in Number of State Employees from FY 2005
2006	(\$328,000)	(\$184,648)	1.0
2007	(\$344,000)	(\$133,946)	1.0
2008	(\$317,000)	(\$133,946)	1.0
2009	(\$328,000)	(\$133,946)	1.0
2010	(\$323,000)	(\$133,946)	1.0

Fiscal Analysis

The bill would amend the Government Code to allow persons at least 18 years of age but not yet 21 years of age who are members or veterans of the United States armed forces to be eligible for a license to carry a concealed handgun if those persons meet the eligibility requirements. The bill would also reduce by 50 percent any fee required for the issuance of an original, duplicate, modified, or renewed license if the applicant is a member of the United States armed forces. If the applicant was dishonorably discharged from the United States armed forces, the applicant is not eligible. The bill would take effect September 1, 2005.

Methodology

To determine the estimated fiscal impact of a 50 percent reduction on any fee required for the issuance of an original, duplicate, modified, or renewed concealed handgun license if the applicant is a member of the United States armed forces, the Comptroller of Public Accounts assumed that 11.2 percent of current licenses belong to veterans. It was further assumed that a 50 percent reduction in fees would elicit a 15 percent increase in original license applications among veterans. Each year roughly 25 percent of licenses come up for renewal, and it was assumed that the 50 percent reduction in renewal fees would trigger an increase in the renewal rate from 60 percent to 70 percent. It was also assumed that the fiscal implication of the provision related to the issuance of a concealed handgun license to military personnel under the age of 21 would not be significant.

One full-time-equivalent position would be needed by the Department of Public Safety (DPS) to process the additional applications and renewals. Appropriations for the concealed handgun function within DPS are currently made from the State Highway Fund, and costs associated with the processing of additional applications and renewals are attributed to this fund.

Technology

DPS technology impact for fiscal year 2006 is estimated at \$24,257 and includes one computer, software costs, database program modifications, one printer, and modifications to the TexasOnline Website Program. The software costs will continue through subsequent years and are estimated at \$175 per year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KJG, VDS, SJ