

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Phil King, Chair, House Committee on Homeland Security & Public Safety

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1911 by White (Relating to granting authority to carry a firearm to an unlicensed person who otherwise meets certain requirements for a handgun license and to related criminal offenses; creating a criminal offense.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1911, As Introduced: a negative impact of (\$37,853,102) through the biennium ending August 31, 2019.

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
2018	(\$21,681,154)
2019	(\$16,171,948)
2020	(\$24,168,527)
2021	(\$16,155,746)
2022	(\$21,648,526)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Appropriated Receipts</i> 666	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2018	\$318,846	(\$4,713,373)	(\$22,000,000)
2019	\$328,052	(\$4,849,472)	(\$16,500,000)
2020	\$336,473	(\$4,973,942)	(\$24,505,000)
2021	\$344,254	(\$5,088,840)	(\$16,500,000)
2022	\$351,474	(\$5,195,705)	(\$22,000,000)

Fiscal Analysis

The bill would amend the Penal Code to revise the offense of unlawful carrying of weapons by making that offense inapplicable to any person meeting the criteria for licensed handgun

possession.

The bill would also require private property owners to post notice of any prohibition on openly carried handguns at each entrance to private property for that notice to be effective for the purposes of the state's open carry trespass offense.

The bill would add a new offense for certain persons who intentionally, knowingly, or recklessly carry a handgun on the premises of a business selling or distributing alcoholic beverages.

It is assumed any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect September 1, 2017.

Methodology

The Department of Public Safety (DPS) reports the per-applicant cost to administer the license to carry (LTC) program totals \$27, which accounts for background checks required by the Federal Bureau of Investigation (FBI) and the State. DPS also reports that the cost of these background checks are paid for by an applicant's LTC application fee. Of this fee amount, the agency retains \$17 per application with these amounts counted towards the agency's Appropriated Receipts and the remainder remitted to the FBI. The remaining portion of each application fee is deposited into General Revenue Fund 01.

While the bill would remove the penalties associated with the carrying of a handgun without a license for certain individuals, it would not eliminate the LTC program. This analysis assumes that the number of original and renewal LTC applications would decline by 90 percent beginning in fiscal year 2018. It is estimated that this would result in a cost savings to the agency's General Revenue Funds in the amounts of \$382,615 in fiscal year 2018 and \$393,663 in fiscal year 2019, as they relate to the cost to produce and mail LTC cards. It is also estimated that this would result in a loss in revenue to the agency's Appropriated Receipts in the amounts of \$4.7 million fiscal year 2018 and \$4.9 million in fiscal year 2019.

The Comptroller of Public Accounts estimates a revenue loss of \$22.0 million in fiscal year 2018 and \$16.5 million in fiscal year 2019 to General Revenue Fund 01.

This analysis assumes administrative duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Technology

It is assumed any technology related costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

A Class C misdemeanor is punishable by a fine of not more than \$500. Costs associated with

enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact. In addition to the fine, punishment can include up to 180 days of deferred disposition.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304
Comptroller of Public Accounts, 405 Department of Public Safety, 458
Alcoholic Beverage Commission

LBB Staff: UP, FR, AI, JAW, JGA