

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6238

BILL NUMBER: HB 1143

NOTE PREPARED: Feb 28, 2024

BILL AMENDED:

SUBJECT: Disposal of Firearms via Trade for New Equipment.

FIRST AUTHOR: Rep. Lucas

FIRST SPONSOR: Sen. Koch

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. It permits a law enforcement agency to dispose of certain confiscated firearms by trade with a licensed firearms dealer, a licensed firearm manufacturer, or another law enforcement agency in exchange for new firearms and other law enforcement equipment.
- B. It sets forth the recording and reporting requirements for the trade of firearms by a law enforcement agency.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Confiscated Firearm Trade:* A state law enforcement agency could save on costs of purchasing firearms or law enforcement equipment through trading the confiscated firearms. However, any savings from trading firearms rather than purchasing firearms is likely to be minimal.

Record of Trade: The law enforcement agency would need to maintain a record of each trade including the confiscated firearm, the person receiving the firearm, and the law enforcement equipment being received. The bill's requirements would increase the workload and expenditures of a law enforcement agency to develop an administrative method to take and maintain the record of trade. This added workload would likely be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures: *Confiscated Firearm Trade:* A local law enforcement agency could save on costs of purchasing firearms or law enforcement equipment through trading the confiscated firearms. However, the savings on cost is likely to be minimal.

Record of Trade: The local law enforcement agency would need to maintain record of the trade including the confiscated firearm, the person receiving the firearm, and the law enforcement equipment being received. The bill's requirements would increase the workload and expenditures of a local law enforcement agency to develop an administrative method to take and maintain the record of trade. This increase would likely be minimal.

Additional Information – Under current law, after 180 days after law enforcement agencies seize firearms with reasonable attempts to locate rightful owner have failed or the rightful owner was convicted of an offense related to the misuse of a firearm, they must either (1) sell the firearms to the general public or to licensed firearms dealers; (2) sell or transfer the firearms to another law enforcement agency; (3) release the firearms to the State Police laboratory or another forensic laboratory; or (4) destroy the firearms. This bill only applies to firearms that are not required to be registered in the National Firearms Registration and Transfer Record.

As an illustration of the possible numbers of firearms that might be able to be traded for new equipment, OFMA found reports from both federal and state sources.

The Bureau of Alcohol, Tobacco, Firearms and Explosives reports on the firearms recovered and traced in Indiana between CY 2019 and 2022.

CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
8,493	8,539	9,087	10,349	11,320

The Indiana Prosecuting Attorneys Council publishes an annual forfeiture report. In this report, IPAC reports the number of firearms which are reported to be forfeited by fiscal year.

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
12	12	20	13	92

Explanation of Local Revenues:

State Agencies Affected: State law enforcement agencies.

Local Agencies Affected: Local law enforcement agencies.

Information Sources: Forfeiture Reports, Indiana Prosecuting Attorneys Council
<https://iga.in.gov/publications/agency/reports/ipac>

Firearms Trace Data for Indiana; The Bureau of Alcohol, Tobacco, Firearms and Explosives
<https://www.atf.gov/resource-center/firearms-trace-data-indiana-2022>

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