

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6653

BILL NUMBER: HB 1289

NOTE PREPARED: Dec 15, 2020

BILL AMENDED:

SUBJECT: Constitutional Carry of Handguns.

FIRST AUTHOR: Rep. Jacob

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Repeal of License Requirement to Carry Handgun*– The bill repeals the law that requires a person to obtain a license to carry a handgun in Indiana. The bill provides that a nonresident of Indiana may carry a handgun in Indiana without possessing a license or permit to carry a handgun from the person's state of residence.

Possession of Handgun on Indiana Government Center Campus– The bill allows a member of the: (1) General Assembly; (2) General Assembly's professional staff; or (3) Lobby Registration Commission; to possess a handgun on the Indiana government center campus if the person is not otherwise prohibited from possessing a firearm.

Handgun License Reciprocity– The bill allows a person who wishes to carry a handgun in another state under a reciprocity agreement entered into by Indiana and the other state to obtain a license to carry a handgun.

Possession of Firearm on DNR Property– The bill beginning July 1, 2021, permits a person not otherwise prohibited from possessing a firearm under state or federal law to possess a firearm on any property that is: (1) affiliated with; (2) operated or managed by; (3) owned by; or (4) leased by; the Department of Natural Resources.

Miscellaneous Provisions– It defines certain terms. It makes conforming amendments.

Effective Date: Upon passage.

Explanation of State Expenditures: *Repeal of License Requirement to Carry Handgun*– The ISP would

be involved in the processing of reciprocity licenses and licenses for those wishing to hold one in spite of the proposed change to law the bill presents. The ISP has civilian record keepers that handle the administration of handgun licensing as part of the ISP's Records Division. The total annual salary and benefits for these ISP employees are estimated to be \$272,000 in FY 2022 and \$281,000 in FY 2023. The ISP could terminate, reduce, or reassign these positions to other duties. Any personnel savings that the bill could generate would depend on future ISP administrative action and the resources required to administer reciprocity license applications.

Reciprocity Licenses- The ISP may need to have their firearms licensing processing system modified slightly to change the printing on handgun licenses to show "Reciprocity" on the license. Expenditures needed to make these changes would likely not be significant.

Criminal Penalties- In certain circumstances a criminal violation for possession of a handgun without a license can be a Level 5 felony. If fewer Level 5 felonies occur there would be fewer persons incarcerated in future years, which would result in minor reduction in Department of Correction expenditures.

Possession of Firearm on DNR Property- The bill would require the DNR to adopt rules to allow the carry or possession of firearms without restriction on DNR property. The DNR would need to revise the Indiana Administrative Code cite as indicated within the bill by July 1, 2021. Rule making is a routine function of state agencies; however, given the effective date of the bill, the DNR would have to expedite their normal process to implement the necessary rules by July 1, 2021, or adopt emergency rules until more permanent rules can be completed and adopted.

Explanation of State Revenues: *Repeal of License Requirement to Carry Handgun-* The state General Fund would be reduced by up to \$5.2 M in FY 2022 and \$5.3 M in FY 2023. The estimate assumes that a small number of people would apply for or renew a handgun license, given that state fees would still be in effect under this bill, which would likely have a minimal net effect on the estimated revenue loss.

Criminal Penalties- The bill would reduce the scope of an existing Class A misdemeanor for illegal possession of a handgun by eliminating the number of crimes it covers, except in cases of on or near school property or in cases of a domestic violence conviction. Revenue to the Common School Fund could be reduced if fewer persons are sentenced for a Class A misdemeanor or, in certain instances, a Level 5 felony. Currently, the maximum fine for a Class A misdemeanor is \$5,000. The maximum fine for a Level 5 felony is \$10,000. However, any revenue reduction is likely to be small.

Explanation of Local Expenditures: *Penalty Provision:* The maximum term of imprisonment for a Class A misdemeanor is up to one year. However, any reduction in costs to local governments is likely to be small.

Explanation of Local Revenues: *Repeal of License Requirement to Carry Handgun-* Counties would see a revenue reduction of up to \$1.6 M in CY 2021, \$3.4 M in CY 2022, and \$3.5 M in CY 2023 in local handgun fees collected. Local handgun license fees are placed into the law enforcement agency's firearms training fund or a similarly appropriate fund. The following table lists the fees beginning after June 30, 2020.

Local Handgun License Fees	
Application Fee	Amount
Five-year license	\$0
Lifetime license	\$50
Lifetime w/a valid four-year license	\$40

Reciprocity Licenses- Counties would be able to charge the same fees as listed in the table for reciprocity licenses. The amount of revenue that reciprocity licenses could generate is indeterminable, but likely to be negligible when compared to the revenue generated locally from the current handgun license.

There are several states with reciprocity agreements to accept valid Indiana handgun licenses. Many of these states do not track Indiana residents and their handgun licenses when visiting, unless there would be a legal reason to do so. Therefore, it is not possible to determine an estimated universe of persons that might apply for the proposed reciprocity license.

Criminal Penalties- Any change in revenue from court fees is indeterminable, but likely to be minimal. [There were 396 misdemeanor cases disposed by courts for a violation of the handgun licensing statute as the primary offense during FY 2019.]

State Agencies Affected: Indiana State Police; Department of Natural Resources.

Local Agencies Affected: Trial courts; local law enforcement agencies.

Information Sources: Indiana State Police: Handgun License Applications and Denials Data, Misdemeanor Abstracts of Judgment; State Staffing Reports.

Fiscal Analyst: Chris Baker, 317-232-9851.