

**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 6711

BILL NUMBER: HB 1295

NOTE PREPARED: Dec 22, 2020

BILL AMENDED:

SUBJECT: Elimination of Gun-Free Zones.

FIRST AUTHOR: Rep. Prescott

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that beginning July 1, 2021, the state of Indiana may not regulate: (1) firearms, ammunition, and firearm accessories; and (2) the ownership, possession, carrying, transportation, registration, transfer, and storage of firearms, ammunition, and firearm accessories. The bill specifies certain exceptions. The bill provides that any provision of an ordinance, measure, enactment, rule, or policy enacted by the state and pertaining to: (1) firearms; (2) ammunition; (3) firearm accessories; and (4) the: (A) ownership; (B) possession; (C) carrying; (D) transportation; (E) registration; (F) transfer; and (G) storage of; firearms, ammunition, and firearm accessories; is void July 1, 2021.

The bill provides that a person not otherwise prohibited from carrying or possessing a firearm under federal or state law may carry or possess a firearm, without restriction, on property affiliated with, or regulated by, the following state agencies beginning July 1, 2021: (1) The Indiana State Fair Commission. (2) The Indiana Department of Administration. The bill provides the Indiana State Fair Commission and Indiana Department of Administration with rulemaking and emergency rulemaking authority to implement these changes. The bill specifies certain rulemaking deadlines. The bill defines certain terms. The bill makes conforming amendments.

Effective Date: Upon passage.

Explanation of State Expenditures: *Rules-* The Indiana State Fair Commission and the Indiana Department of Administration would need to revise the Indiana Administrative Code cites 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, these agencies would have to expedite their normal time process to implement the necessary rules by July 1, 2021, or adopt emergency rules until more permanent rules can be completed and adopted.

Handgun Licensing– The Indiana State Police (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. If the ISP stopped reviewing and maintaining handgun license applications and records, the ISP could terminate these positions or reassign them to other duties. Any personnel savings that the bill could generate would depend on future administrative actions and the resources required to administer reciprocity license applications.

Excess Handgun License Fee Fund- When annual revenues from handgun licensing exceed \$1.1 M, the remaining revenue is transferred from the state General Fund into the Excess Handgun License Fee Fund (Excess Fund). Proceeds in the Excess Fund, subject to appropriation and allotment, are used to finance the operational costs of the ISP’s Records Division. In order to maintain the operation of their Records Division, the ISP may have to reallocate existing funding from other sources or seek new funding. [The ISP’s Records Division maintains data on criminal history records, fingerprint identification, firearms licensing, and vehicle crash records. The Excess Fund had expenditures of \$4.2 M during FY 2020.]

Per HEA 1001-2019 appropriations to the Excess Fund were terminated on July 1, 2019. Any remaining Excess Fund balance from excess handgun license fees will be transferred to the state General Fund on June 30, 2021.

Explanation of State Revenues: *Handgun Licensing*– The state would have a potential revenue reduction of approximately \$5.2 M in FY 2022 and \$5.3 M in FY 2023 if the enforcement of handgun licensing ceased to be carried out by the Indiana State Police as a result of this bill.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Handgun Licensing*– Counties would see a potential revenue reduction of \$1.6 M in CY 2021, \$3.4 M in CY 2022, and \$3.5 M in CY 2023 if the handgun licensing processing was no longer conducted by county law enforcement agencies as a result of this bill.

State Agencies Affected: Indiana State Fair Commission; Indiana Department of Administration; Indiana State Police; Department of Correction.

Local Agencies Affected: Local law enforcement agencies.

Information Sources: Courts Administration Abstract of Judgment data; Indiana State Police: Handgun License Applications and Denials Data.

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