



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 777

PRINTER'S NO. 2578

PRIME SPONSOR: Cephas

COST / (SAVINGS)

| FUND | FY 2023/24 | FY 2024/25 |
|--------------|-------------------|-------------------|
| General Fund | See Fiscal Impact | See Fiscal Impact |

SUMMARY:

Amends the Uniform Firearms Act to prohibit the purchase, sale, and production of firearm or firearm parts without serial numbers.

ANALYSIS:

House Bill 777, Printer's Number 2578 amends Title 18 (Crimes and Offenses) by adding Section 6110.3 to create a new offense for the sale of firearms or firearm parts without serial numbers. An individual commits a felony of the third degree if they sell or otherwise transfer a firearm frame or receiver, a firearm muffler or silencer frame or receiver, a split or modular firearm frame or receiver, or a partially complete, disassembled or inoperable firearm frame or receiver, either separately or as part of a firearm kit, that is not imprinted with a serial number registered with a Federal firearms licensee. Additionally, an individual, who is not registered or licensed to do so, commits a felony of the second degree if they purchase or otherwise obtain separately or as part of a firearm kit, with the purpose to manufacture or otherwise assemble a firearm, a firearm frame or receiver, a firearm muffler or silencer frame or receiver, a split or modular firearm frame or receiver, or a partially complete, disassembled or inoperable firearm frame or receiver, that is not imprinted with a serial number registered with a Federal firearms licensee.

Section 6110.4 creates Federal firearms licensee requirements for privately made firearms. Any privately made firearms acquired by the licensee prior to the effective date of the legislation must be either properly marked, arranged to be marked by another licensee, or destroyed or surrendered to law enforcement within sixty days of the effective date of the legislation or prior to the date of disposition, whichever is sooner. Any privately made firearms acquired by a licensee after the effective date of the legislation must be marked, arranged to be marked, or destroyed or surrendered within seven days following the date of receipt or before the date of disposition, whichever is sooner. Licensees are required to record privately made firearms in the Federal firearms licensee's acquisition and disposition records, whether or not they are kept overnight, and update acquisition entries with information marked on privately made firearms.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT:

According to the Pennsylvania State Police, due to Federal regulations, an individual selling either a completed or incomplete kit without lawfully transferring it at Federal firearms licensee would be charged for violating Section 6111 of Title 18. An individual guilty of an offense under this section commits a misdemeanor of the second degree, which is punishable by up to two years in prison and/or a fine of up to \$5,000.

House Bill 777 creates a new offense when the sale or transfer involves a firearm or firearm part without a serial number, punishable by either a felony of the second or third degree. For reference, a felony of the third degree is punishable by up to seven years in prison and/or up to \$15,000 in fines. A felony of the second degree is punishable by up to 10 years in prison and/or up to \$25,000 in fines.

To the extent that this legislation may lead to increased prison sentences, it could have an added cost to the Commonwealth. The increase would be a function of the number of individuals sentenced for this offense and the additional time that they are sentenced for. The marginal annual cost to incarcerate an additional inmate in a state correctional institution was \$16,104 in FY 2022/23. This cost assumes that fewer than 300 additional individuals were incarcerated.

However, data are not currently available on the number of individuals who would be guilty of this new offense. While the Pennsylvania Commission on Sentencing reported that, between 2017 and 2019, 87 individuals were sentenced for violating Section 6111 and up to 75 individuals committed a subsequent offense (felony of the second degree), it is unknown how many of these offenses involved firearms or parts without serial numbers. Therefore, enactment of this legislation will have an indeterminate impact on Commonwealth funds.

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House Appropriations Committee (D)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.