

November 29, 2011

Hon. Kamala D. Harris
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Dawn McFarland
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative related to concealed firearms (A.G. File No. 11-0056).

Background

Under existing state law, county sheriffs and local police chiefs *may* issue a license to carry a concealed firearm to an individual who applies for such a license and provides proof of (1) good moral character; (2) good cause for the license; (3) residence or, under specified circumstances, employment in the jurisdiction; and (4) completion of a certified firearms training course. Individuals seeking a concealed firearms license are required to have their fingerprints taken and submitted to the state Department of Justice (DOJ). Upon receipt of fingerprints, the department is required to provide the licensing authority with a criminal background report on the applicant.

State law requires each individual who applies for a concealed firearms license to pay a fee at the time of application. The actual amount of the fee is determined by DOJ, but shall not exceed the department's costs for preparing an applicant's criminal background report. Currently, the application fee is \$95. Under existing state law, local licensing authorities may charge an additional fee equal to their actual costs of processing an application for a concealed firearms license. However, this additional fee may not exceed \$100. State law specifies that local authorities may collect 20 percent of the additional fee at the time of application, with the remaining balance collected only upon issuance of the license. Issued licenses, with some specified exceptions, are valid for any period of time of no more than two years, as determined by local authorities.

Proposal

This measure makes various changes to the current application process for obtaining a concealed firearms license. Under this measure, county sheriffs and local police chiefs would be *required* to issue a concealed firearms license to any applicant who they determine (1) is not legally prohibited from possessing a firearm; (2) has never been diagnosed with a mental illness requiring medication or admission to a mental institution; (3) has no history of substance abuse or domestic violence; (4) is not under criminal investigation or indictment; (5) is not the subject of a restraining order; (6) is a resident of, or, under specified circumstances, employed within the jurisdiction; (7) passes a specified training course on firearms; (8) passes a DOJ criminal background check; and (9) pays the required application fee.

The measure states that the application fee shall reflect the actual administrative costs incurred by both DOJ and the local licensing authority and be paid in full at the time of application. The measure does not place a limit on the amount of the fee. The local licensing authority would be required to transmit a portion of the application fee to DOJ. Except under certain circumstances, the measure specifies that an issued license shall be valid for two years.

Fiscal Effects

Application Processing Costs. This measure would likely result in additional costs for DOJ and local authorities to process applications for concealed firearms licenses, pursuant to the provisions of this measure. These additional costs would depend on (1) the number of additional license applications received as a result of this measure and (2) how local authorities chose to implement certain provisions in the measure. The magnitude of the increased costs are therefore unknown. However, under the measure, these additional costs would be funded from the revenues collected from application fees.

Potential Savings to Local Licensing Authorities. The measure would allow local authorities to charge fees of any amount to reflect their actual administrative costs for processing license applications. Since current state law limits the fee that local authorities may charge to \$100, it is possible that the fee revenue currently collected by some local authorities is insufficient to support their actual administrative costs. Thus, this measure would allow local authorities to collect sufficient revenue to fully offset their costs, allowing them to avoid using other funds for these purposes. The magnitude of these potential savings would likely be minor and would depend on the extent to which the costs to local authorities of processing license applications are currently not fully covered by application fees.

Summary of Fiscal Effects

We estimate that this measure would have the following major fiscal effect:

- Increased state and local expenditures of an unknown amount to process applications for concealed firearms licenses, which would be funded with revenues collected from license application fees.

Sincerely,

Mac Taylor
Legislative Analyst

Ana J. Matosantos
Director of Finance