

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE, 2018 LEGISLATIVE SESSION

FISCAL NOTE 2018-SB104A

SB 104 - An Act to repeal and revise certain provisions relating to requirements for a permit to carry a concealed pistol.

Summary of Legislation: SB 104 eliminates the permitting requirement for carrying a concealed handgun in South Dakota and makes other technical and conforming changes. Current law requires a permit for South Dakota citizens to carry a concealed handgun. Applications are made at the local sheriffs' office.

Regular Concealed Carry Permit: The cost for a regular permit is \$10 initially, and \$10 to renew. The sheriff's office retains \$3 for the administration of the permit program and remits \$7 to the Secretary of State's Office for deposit in the State General Fund. The regular permit is recognized for concealed carry in South Dakota and 31 states.

Enhanced Concealed Carry Permit: The Enhanced Concealed Carry permit, available starting in FY2016, allows certain qualifying South Dakota citizens to carry a concealed handgun in 37 other states and allows them to purchase a firearm without a waiting period. The cost for an Enhanced Concealed Carry permit is \$100 initially, and \$50 to renew. Fifty percent of the fee is retained by the local sheriff's office, and fifty percent is deposited in the Secretary of State's other fund. The applicant must also pay \$43.25 to the South Dakota Department of Criminal Investigation (DCI) for a fingerprint background check. Additionally, each applicant must successfully complete a qualifying handgun course.

Gold Card Concealed Carry Permit: The Gold Card Concealed Carry permit, available starting in FY2017, allows certain qualifying South Dakota citizens to carry a concealed handgun in 32 other states and allows them to purchase a firearm without a waiting period. The cost for a Gold Card carry permit is \$70 initially, and \$70 to renew. The fee is deposited as follows: \$30 with the local sheriff; \$6 with the Secretary of State's other fund; and \$34 is deposited in the Department of Public Safety's other fund. The applicant must also pay \$43.25 to the South Dakota Department of Criminal Investigation (DCI) for a fingerprint background check. No handgun course is required to obtain a Gold Card Concealed Carry permit.

The Secretary of State provided the number of concealed carry permit applications and fee revenue for the past three fiscal years and the estimated numbers for the next two fiscal years.

Number of Concealed Carry Permit Applications

	Regular Permit	Enhanced Permit	Gold Card Permit
Fiscal Year	New and Renewal Permit Applications	New Permit Applications	New Permit Applications
FY2015	20,902		
FY2016	26,401	575	
FY2017	27,655	1,912	169
FY2018 estm. Under SB104	21,600	1,800	300
FY2019 estm. Under SB104	19,872	1,800	300

Revenue Collected based on Applications

	Regular Permit	Enhanced Permit	Gold Card Permit	Total Revenue
	New and Renewal Permit Applications \$10 Fee	New Permit Applications \$100 Fee/\$70 Renewal*	New and Renewal* Permit Applications \$70 Fee	
<u>FY2015</u>				
Local Sheriff	62,706			62,706
Division of Criminal Investigation (DCI)				-
Department of Public Safety				-
Secretary of State Other Fund				-
State General Fund	146,314			146,314
Total FY2015	209,020			209,020
<u>FY2016</u>				
Local Sheriff	79,203	28,750		107,953
Division of Criminal Investigation (DCI)		24,869		24,869
Department of Public Safety				-
Secretary of State Other Fund		28,750		28,750
State General Fund	184,807			184,807
Total FY2016	264,010	82,369		346,379
<u>FY2017</u>				
Local Sheriff	82,965	95,600	5,070	183,635
Division of Criminal Investigation (DCI)		82,694	7,309	90,003
Department of Public Safety			5,746	5,746
Secretary of State Other Fund		95,600	1,014	96,614
State General Fund	193,585			193,585
Total FY2017	276,550	273,894	19,139	569,583
<u>FY2018 estm.</u>				
Local Sheriff	64,800	90,000	900	155,700
Division of Criminal Investigation (DCI)		77,850	12,975	90,825
Department of Public Safety			10,200	10,200
Secretary of State Other Fund		90,000	1,800	91,800
State General Fund	151,200			151,200
Total FY2018 estm.	216,000	257,850	25,875	499,725
<u>FY2019 estm. After SB104</u>				
Local Sheriff	59,616	90,000	900	150,516
Division of Criminal Investigation (DCI)		77,850	12,975	90,825
Department of Public Safety			10,200	10,200
Secretary of State Other Fund		90,000	1,800	91,800
State General Fund	139,104			139,104
Total FY2019 estm. After SB104	198,720	257,850	25,875	482,445

*No renewals have been issued for the Enhanced or Gold Card permits.

Estimated Impact on public funds: It is estimated this bill would have little to no effect on the purchase of either the Enhanced Concealed Carry Permit or the Gold Card Concealed Carry Permit, as the benefits of these programs (enhanced provisions regarding reciprocity and firearm purchase convenience) would remain if SB104 is passed.

It is further estimated that the number of Regular Concealed Carry permits will decline only slightly. The State of Wyoming passed a similar law in 2011 and saw an almost 50% decrease in new permits that were approved in 2012. However, in 2013 the numbers of permits issued rose 50% as people realized that they provide reciprocity. Since 2013, the number of permits issued has continued to increase yearly. The Wyoming regular concealed carry permit costs \$64 for a 5 year permit. The South Dakota permit, by comparison, costs only \$10 and provides reciprocity benefits in 31 states. Based on the cost difference between the two states, it is estimated that South Dakota could expect an 8% reduction in permits issued in the first year, with no significant impacts after that. Therefore, the estimated impact is a decrease in general fund revenue of \$12,096 and a decrease in revenue of \$5,184 to local sheriffs, for the first year only.

Estimated Effect on the Criminal Justice System: This bill would eliminate a Class 1 misdemeanor for those guilty of carrying a concealed weapon with no license. In the past ten years, there have been an average of 14.3 convictions per year, with an average sentence of 39.4 days in county jails. The estimated savings from this bill to the counties would be approximately \$50,555 per year (563.42 days x \$89.73/day).

Approved: /s/ Jason Hancock
Director, Legislative Research Council

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