



OHIO LEGISLATIVE SERVICE COMMISSION

Joseph Rogers

Fiscal Note & Local Impact Statement

Bill: S.B. 81 of the 132nd G.A.

Status: As Enacted

Sponsor: Sen. Terhar

Local Impact Statement Procedure Required: Yes

Subject: Concealed handgun license fee waiver for specified military personnel

State & Local Fiscal Highlights

- The Attorney General and county sheriffs statewide each potentially lose hundreds of thousands of dollars annually as a result of the fee waiver provision.
- The bill makes hundreds of thousands of current and former members of the U.S. armed forces eligible for a waiver of the concealed handgun fee. In certain counties, the increased number of applicants for a license and the related revenue loss may be significant enough that the sheriff will need additional funding to cover operating expenses, including the cost of required background checks. The amount of additional funding needed by any given sheriff could exceed \$5,000 to \$10,000 annually.
- Complying with the fee waiver notification requirements will create minimal at most annual costs for the Attorney General and county sheriffs that can be absorbed utilizing existing resources.

Detailed Fiscal Analysis

The bill waives the fee required for a permit to carry a concealed handgun for applicants who are active or reserve members of the U.S. armed forces, or who have retired from or were honorably discharged from such military service. The bill also caps the waiver of concealed handgun license fees at \$1.5 million each calendar year (CY). Once the annual waiver limit has been met, a county sheriff may not waive the payment of the license fee for the remainder of that year.

Eligible population

Some basic information on current and former members of the U.S. armed forces and concealed carry permits is as follows:

- The total number of U.S. armed forces members in Ohio is currently around 873,000, which includes approximately 866,000 veterans and 7,000 active-duty military.

- The total number of concealed carry permits issued in Ohio is around 700,000. In CY 2016, county sheriffs issued 158,939 regular licenses (117,953 new licenses and 40,986 renewal licenses) and 43 temporary licenses.

New licenses. As indicated above, there will be hundreds of thousands of current and former U.S. armed forces members eligible for the bill's fee waiver. The number of those individuals that will apply for a permit simply because of the fee waiver is uncertain. Presumably some will, which means that, subsequent to its enactment, this fee waiver provision may lead to a short-term increase in the number of new applicants for a concealed handgun license.

Renewal licenses. The bill may also affect license renewal activity, as current and former U.S. armed forces members with an active license will not have to pay the required fee when they renew that license. The number of those individuals (active duty and veterans) with active licenses in Ohio is uncertain.

Concealed handgun license fee

Under current law, the fee for a concealed carry license is as follows: new (\$67/\$91) and renewal (\$50/\$74).¹¹ A license is valid for five years. The fees are collected by the county sheriff as part of their duties and responsibilities to administer and enforce the state's Concealed Handgun Law. The sheriff retains a portion of the fee (\$40 of a new license and \$35 of the renewal license) for crediting to the Sheriff's Concealed Handgun License Issuance Expense Fund, which a sheriff is permitted to use: (1) for any costs incurred in connection with performing any administrative functions related to the issuance of concealed handgun licenses, or (2) ammunition and firearms. The remainder is forwarded for crediting to the state's General Reimbursement Fund (Fund 1060), which the Attorney General uses, in part, to fund the cost of background checks performed by the Bureau of Criminal Investigation (BCI), as well as any checks requested from the FBI. Under the bill, the Attorney General and sheriffs statewide each potentially lose hundreds of thousands of dollars annually as a result of the fee waiver provision.

As noted, the bill does not exempt current and former U.S. armed forces members from the requirement that a person apply for a concealed handgun license. The bill only exempts those individuals from paying the license or renewal fees until the point at which the total statewide lost fee revenue reaches \$1.5 million in a calendar year. All of the work required to issue those licenses and renewals will still occur.

The bill also requires the sheriff to transmit a notice to the Attorney General, in a manner determined by the Attorney General, every time a fee is waived under this provision. The Attorney General must monitor the fees waived and inform sheriffs if the total amount of fees waived under this provision reaches or exceeds \$1.5 million. If a

¹¹ Applicants residing in Ohio for five years or more pay a fee of \$67 for a new license or \$50 for a renewal license. Applicants residing in Ohio for less than five years pay an additional \$24 for a new or renewal license for the cost of the required FBI background check (R.C. 2923.125).

sheriff has received notice that the annual waiver limit has been met, the sheriff may not waive the payment of the license fee for the remainder of that year. Complying with these requirements will create minimal at most annual costs for the Attorney General and county sheriffs that can be absorbed utilizing existing resources.

According to the Buckeye State Sheriffs' Association, all of the fee revenue typically collected for concealed handgun licenses and renewals is expended to pay for administrative personnel and BCI background checks. As the bill does not lessen the workload but does create the potential for lost fee revenue, county sheriffs generally may have to find other funds to cover related operating expenses. For certain counties, the amount of replacement revenue needed could exceed \$5,000 to \$10,000 annually.