

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill would permit counties to authorize carrying concealed weapons.

The Nebraska State Patrol (NSP) states it is unknown how many counties would authorize carrying concealed weapons.

Counties that approve carrying concealed weapons could impact the current concealed carry permit program administered by NSP. This program allows persons to apply to carry a concealed weapon. The permit costs \$100, and the renewal fee is \$50. NSP estimates fee revenues of about \$1.8 million per year. These permit fees are deposited into the State Patrol Cash Fund, and expenditures to administer the concealed carry program also come from this cash fund.

NSP does not know how this bill would impact the revenues of the concealed carry program but is using a range of reduced revenues of 10% to 33%, with a corresponding decrease in expenditures.

There is no basis to disagree with NSP's range of the estimated reduction in the fee revenue and the corresponding decrease in expenditures. These cash fund amounts are shown in the boxes at the top of this fiscal note.

However, this fiscal note does not show the General Fund expenditure increase estimated by NSP. As previously noted, concealed carry is a cash funded program. Any shortfall in cash funds needed to administer the concealed carry program would not automatically be replaced with General Funds.

The Lancaster County Sheriff's Office estimates no fiscal impact from this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 236	AM:	AGENCY/POLT. SUB: Nebraska State Patrol (64)
REVIEWED BY: Joe Wilcox	DATE: 02/10/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska State Patrol estimate of potential Fiscal Impact to the Agency from LB 236.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 236	AM:	AGENCY/POLT. SUB: Lancaster County Sheriff's Office
REVIEWED BY: Joe Wilcox	DATE: 01/27/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Lancaster County Sheriff's Office estimate of No Fiscal Impact to the County from LB 236.		

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2021

LB⁽¹⁾ 236

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 2/8/2021 Phone: ⁽⁵⁾ _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$85,632- \$395,526		\$85,632- \$395,526	
CASH FUNDS	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)	(\$183,103)- (\$610,283)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$97,471)- (\$214,757)	(\$183,103)- (\$610,283)	(\$97,471)- (\$214,757)	(\$183,103)- (\$610,283)

Explanation of Estimate:

LB 236 provides for each county to have the power to authorize the carrying of concealed weapons for all persons not otherwise prohibited from possessing or carrying such weapons under state or federal law (Section 23-104). Under the provisions of this bill, a permit shall not be required in order to carry a concealed handgun in counties that have authorized the carrying of a concealed weapon pursuant to Section 23-104.

If this bill were to pass, it is unknown how many counties will choose to exercise this power to authorize the carrying of concealed weapons, and that will not require a permit. It is also unknown how many individuals would avail themselves of this provision and elect to not obtain a state issued concealed carry permit. The Criminal Identification Division of the State Patrol currently is authorized to perform background checks and determine if an individual who applies for a concealed carry permit meets the requirements for such permit, as well as the issuing of the actual state-wide permit itself. A fee is charged to each applicant that qualifies for the issuance of a permit. Because it is unknown at this point as to how many counties would choose to exercise this authorization and how many individuals would avail themselves of that provision, the Agency has provided a fiscal note reflecting a range of possible lost revenue and reduced expenses. It is important to note that the actual fiscal impact as a result of this bill could be more or less than this range.

The Agency estimates that the total number of permit applications processed in a given year are approximately 23,417. Each new permit results in gross revenue of \$100 per permit. Additionally for each renewed permit, gross revenues are \$50 per permit. Accordingly, the gross total revenues for all estimated permits processed in a given year are estimated at a total of \$1,831,033. If the Agency were to estimate the range of state-wide permits reduced by this bill to be 10% - 33% of the estimated total applications issued per year, this would result in a fiscal impact of reduced gross revenues of \$183,103 - \$610,283, respectively. This reduction in revenues would also result in a corresponding reduction in expenses. This would primarily be in the form of payroll expenses, FBI fees, and office supplies. With a 10%-33% reduction in revenues, the Agency estimates a reduction in staff of 1 – 2 FTEs and a reduction in payroll expenses totaling \$66,293 – 111,041, respectively. Additionally, FBI fees and office supplies would be reduced by a range of \$31,028 - \$103,416 and \$150 - \$300, respectively.

It is important to note that for a variety of reasons, there is not a corresponding dollar for dollar reduction in expenses as compared to the estimated reduction in revenues that would result from the passing of this bill. These reasons include the following: (1) Certain fixed costs exist that cannot be eliminated or reduced regardless of the estimated reduction in permits. There are certain economies of scale that exist within the Criminal Identification Division. For example, there are maintenance contracts in existence for required equipment that could not be eliminated. (2) The Criminal Identification Division would still be required to issue new permits at no cost to individuals that are updating their name, address, or that have lost their permits. The

amount of this type of processing has increased by roughly 70% in the last five years. The costs related to these activities would continue with no offsetting revenue. (3) A core level of staffing will be required to remain in place despite the estimated permit reductions in order to ensure that the division can provide the minimum level of service needed for counties that do not proceed with authorizing this change, and for individuals who decide to continue to pursue a state-issued permit. Certain core levels of staffing are also required to ensure that statutory mandates can continue to be met. (4) A portion of the revenues from these permits are used to support other areas of the Division performing background check operations that are not entirely self-sustaining. For all of the above reasons, the Agency does not anticipate that expenses will be reduced by the same amount as the reduction in revenues. Accordingly, some of the reduction in gross revenues would need to be replaced with additional General Fund appropriations, in order to ensure that the Agency could continue to pay the ongoing expenses of the program and provide the necessary levels of service and meet statutory mandates.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Staff Assistant I	1	1	(\$34,291)	(\$34,291)
State Patrol Forensic Technician	1	1	(\$0)-(\$33,147)	(\$0)-(\$33,147)
Overtime Reduction			(\$20,000)	(\$20,000)
Benefits.....			(\$12,002)- (\$23,603)	(\$12,002)- (\$23,603)
Operating.....			(\$31,178) - (\$103,716)	(\$31,178) - (\$103,716)
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			(\$97,471)- (\$214,757)	(\$97,471)- (\$214,757)

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2021

LB⁽¹⁾ 236

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Sheriff's Office

Prepared by: ⁽³⁾ Sheriff Terry Wagner Date Prepared: ⁽⁴⁾ 01-27-2021 Phone: ⁽⁵⁾ 402 441 6500

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:
No known fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____