

Revised to include agency response.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(\$97,471 - \$216,302)	(\$183,103 - \$610,233)	(\$97,471 - \$216,302)	(\$183,103 - \$610,233)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$97,471 - \$216,302)	(\$183,103 - \$610,233)	(\$97,471 - \$216,302)	(\$183,103 - \$610,233)

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

LB 773 changes provisions related to the carrying of concealed handgun.

The bill's provisions remove the specified power of cities to punish and prevent the carrying of concealed weapons.

Section 7 defines the term "Concealed handgun" to mean a handgun that is entirely obscured from view. If any part of the handgun is capable of being seen or observed by another person, it is not a concealed handgun.

The provisions of LB 773 appear to have no implementation nor enforcement costs.

The Nebraska State Patrol estimates a decrease in the number of permits issued. Assuming a 10% - 33% decrease, the State Patrol estimates a revenue reduction between (\$183,103) and (\$610,283) per year. The corresponding expenditure decrease is estimated to be between (\$97,471) and (\$216,302) per year. These are all Cash Fund dollars. The imbalance between the revenue and expenditure decreases is due to the fixed costs that must still be paid. Those costs are not affected by the number of permits applied for and issued.

The State Patrol will need to evaluate the ongoing appropriation and cash fund balances to ensure that a shortfall does not occur.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 773	AM:	AGENCY/POLT. SUB: City of Scottsbluff
REVIEWED BY: Joe Wilcox	DATE: 01/07/2022	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the City of Scottsbluff estimate of No Fiscal Impact to the City from LB 773.		

Please complete ALL (5) blanks in the first three lines.

2022

LB⁽¹⁾ 773

FISCAL NOTE

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

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 1/18/22 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(\$97,471)- (\$216,302)	(\$183,103)- (\$610,283)	(\$97,471)- (\$216,302)	(\$183,103)- (\$610,283)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$97,471)- (\$216,302)	(\$183,103)- (\$610,283)	(\$97,471)- (\$216,302)	(\$183,103)- (\$610,283)

Explanation of Estimate:

LB 773 removes the requirement for concealed handgun carry permits to be issued. It allows for anyone who isn't otherwise prohibited by state law to carry a concealed weapon. However, the Agency estimates that there will continue to be a need for permits, and there will still be individuals who will wish to obtain a permit. For example, for reciprocity in other states, or for the use of a concealed carry permit as an ATF qualified purchase permit. The State Patrol checked with the State of Kansas, which experienced approximately a 30% reduction in permits in their state as a result of a similar bill. Accordingly, the State Patrol has estimated a reduction based on a similar range of decreased permits.

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 possible reduction in staff of up to 2 FTEs and a reduction in payroll expenses totaling \$112,586. Additionally, FBI fees and office supplies would be reduced by a range of \$31,028 - \$103,416 and \$150 - \$300, respectively.

There is not a corresponding dollar for dollar reduction in expenses as compared to the estimated reduction in revenues because:(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) 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 individuals who decide to continue to pursue a state-issued permit. Certain core levels of staffing are also required to ensure that statutory timelines can continue to be met. 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.

As a result of the estimated decreased revenues exceeding the decreased reductions, the Agency will need to evaluate the ongoing appropriation and cash fund balances to ensure a shortfall does not occur. In the event that should occur, an additional offsetting budget request may be needed for future periods.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Office Specialists	(1-2)	(1-2)	(\$34,291) – (68,582)	(\$34,291) – (68,582)
Office Specialists Overtime Reduction			(\$20,000)	(\$20,000)
Benefits			(\$12,002) – (\$24,004)	(\$12,002) – (\$24,004)
Operating.....			(\$31,178) – (\$103,716)	(\$31,178) – (\$103,716)
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			(\$97,471) – (\$216,302)	(\$97,471) – (\$216,302)

Please complete ALL (5) blanks in the first three lines.

2022

LB⁽¹⁾ 773

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Scottsbluff

Prepared by: ⁽³⁾ K. Spencer Date Prepared: ⁽⁴⁾ 1/6/2022 Phone: ⁽⁵⁾ (308) 630-6260

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	<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 Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____