



Ohio Legislative Service Commission

Joseph Rogers

Fiscal Note & Local Impact Statement

Bill: H.B. 235 of the 131st G.A. **Date:** December 7, 2015

Status: As Reported by House State Government **Sponsor:** Rep. Terhar

Local Impact Statement Procedure Required: Yes

Contents: Concealed handgun license fee waiver for active duty military and honorably discharged veterans

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The bill makes hundreds of thousands of active-duty military and veterans 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 could easily exceed \$5,000 to \$10,000 annually.

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.

Eligible population

Some basic information on military service personnel and concealed carry permits is as follows:

- The total number of military service personnel in Ohio is currently around 873,000, which includes approximately 866,000 veterans and 7,000 active-duty military.
- The number of concealed carry permits in Ohio is around 460,000. In 2014, county sheriffs issued 110,212 regular licenses (58,066 new licenses and 52,146 renewal licenses) and 57 temporary licenses.

New licenses. As the number in the first dot point above indicates, there will be hundreds of thousands of military service personnel eligible for the bill's fee waiver. The number of those personnel 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 military service personnel with an active license will not have to pay the required fee when they renew that license. The number of military service personnel (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).¹ 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 (\$27 of a new license and \$15 of the renewal license) for deposit into the Sheriff's Concealed Handgun License Issuance Expense Fund, which is used solely to pay for related administrative and enforcement costs. The remainder is forwarded for deposit into the state treasury to the credit of the 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.

As noted, the bill does not exempt active-duty military personnel and veterans 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. All of the work required to issue those licenses and renewals will still occur.

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 easily exceed \$5,000 to \$10,000 annually.

¹ 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).