

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0366-02  
Bill No.: HCS for SB 75  
Subject: Firearms and Fireworks  
Type: Original  
Date: May 7, 2013

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Bill Summary: This proposed legislation modifies provisions relating to firearms, sheriffs, intruder training and gun safety in public schools, source documents for driver's licenses, knives, and concealed carry permits.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
General Revenue	(Up to \$185,331 to Unknown)	(Up to \$44,754 to Unknown)	(Up to \$44,754 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$185,331 to Unknown)</b>	<b>(Up to \$44,754 to Unknown)</b>	<b>(Up to \$44,754 to Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Criminal Records	(\$900,000)	(\$10,250)	(\$10,250)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$900,000)</b>	<b>(\$10,250)</b>	<b>(\$10,250)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 29 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

§§32.090, 136.055, 302.065, 571.500 - DATA COLLECTED BY THE STATE AND ITS AGENTS

#### §32.090 - Applicant unique identification numbers

Officials from the **Department of Revenue - Division of Motor Vehicle/Driver's License (DOR)** state this section of the legislation provides DOR with the option to collect the applicant's unique identification number for applications received under Chapters 301, 306, and 700. The unique identification number shall be treated as personal, non-public information.

Identification number means the applicant's driver license number, nondriver license number, or social security number.

DOR assumes the following procedures will need to be revised to provide for the changes in this legislation:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of **\$1,206** in FY 14.
- DOR's website will need to be updated. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of **\$325** in FY 14.

DOR will collect the unique identifiers for all applicants in the instance of multiple titled owners. If a vehicle is being titled in a business name, the Federal Employment Identification Number will be collected.

#### Office of Administration - Information Technology Services Division (OA-ITSD)

The DOR Titling and Registration Intranet Processing System currently allows for a Social Security Number (SSN), Driver's License Number (DLN) or Federal Employer Identification Number (FEIN) for each owner to be entered and stored; therefore, there will not be any programming changes needed.

In summary, DOR assumes a cost of **\$1,531** (\$1,206 + \$325) in FY 2014 to provide for the implementation of the changes in this part of the proposal.

LMD:LR:OD

ASSUMPTION (continued)

§136.055 - Indemnification of fee offices

Officials from DOR state the proposed changes to this section will have an unknown impact on the DOR. The changes appear to be broad enough to make the DOR liable for a number of proceedings that may be brought against the license office, including damages caused by negligence of fee office employees that occur while acting in their official duties.

Currently, the license office contract requires the license office contractor to purchase liability insurance to cover liabilities in connection with or arising out of any action, suit, or proceeding if the fee office was acting in the course of its official duties. This cost of indemnifying 182 license offices is unknown but could be significant.

In response to a proposal from 2012 (SB 500), officials from the **Office of Attorney General** stated cost to the general revenue for any successful claim is unknown and depends upon the number and amount of judgments or settlements, but could easily exceed \$100,000 in any year.

Since the number of proceedings that may be brought against the license offices is unknown and the cost of indemnifying the license offices is unknown, **Oversight** will range the cost to the Department of Revenue as \$0 or (Unknown).

§302.065 - Source documents for driver's licenses

§302.065.1

This subsection states that DOR shall not retain copies of source documents, except as provided for in §302.065.4, presented by applicants applying for a driver or nondriver license.

In FY12 DOR processed 4,597 second verifications and 1,170 third verifications = 5,767 / 12 months = 480 per month / 22 working days per month = 22 additional correspondence letters per day (plus monitoring and potential follow up letters).

DOR requests one additional FTE (Revenue Processing Tech I) to handle the increase in correspondence.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. If the provisions of this section require additional personal services, DOR may request such through the budget process.

ASSUMPTION (continued)

§302.065.2

This subsection prohibits the scanning of source documents for the issuance of a concealed carry weapons endorsement (CCW). DOR is not currently scanning documents related to the issuance of the CCW endorsement, therefore it has no fiscal impact on DOR.

§302.065.3

This subsection requires DOR to destroy any source documents that were obtained after August 28, 2012 from driver's license or nondriver's license applicants.

This legislation requires the Driver License Bureau (DLB) to:

- Modify all current procedures for review and retention of source documents;
- Modify website information as applicable related to source documents;
- Review and determine changes to Missouri non-commercial and commercial driver manuals for document related changes;
- Define requirements for Missouri Electronic Driver License Central Issuance (MEDLCI) system changes and changes to other supporting applications to remove current scanning processes for imaging source documents;
- Define requirements for MEDLCI changes to incorporate a checklist process for license offices to indicate what source documents they reviewed for issuance of the transaction;
- Develop test grids for user acceptance testing of all license issuance and supporting system modifications;
- Define requirements for MEDLCI changes to update the driver examination screens to include entry fields for scores and examiner information for purposes of supporting the transaction issuance since source documents will not be retained for verification of completed testing and an automated system does not currently exist between the Missouri State Highway Patrol and DOR;
- Requires DLB to define procedures for access to all application images to remove all previously imaged copies of source documents;
- Develop training materials required for internal staff and license office staff; and
- Review and submit administrative rule changes as required regarding source document review and retention.

ASSUMPTION (continued)

Driver License Bureau - FY14

Administrative Analyst	600 hrs @ \$24 (1 ½) per hr	\$14,400
Management Analyst Specialist II	680 hrs @ \$23 per hr	\$15,640
Revenue Band Manager	160 hrs @ \$30 per hr	<u>\$ 4,800</u>
<b>Total</b>		<b>\$34,840</b>

Personnel Services Bureau - FY14

Administrative Analyst III	40 hrs @ \$22	\$ 880
Management Analysis Spec I	160 hrs @ \$20	<u>\$ 3,200</u>
<b>Total</b>		<b>\$ 4,080</b>

DOR began digital imaging for issuance transaction related information in January 2005. Prior to digital imaging, source documents presented to DOR were microfilmed.

Since September 1, 2012, there are approximately 2,149,588 million pages that could potentially be "source documents". DOR plans to sweep the system to identify all commercial driver license holders to ensure their documents are not destroyed. All documents presented with an application for a driver or nondriver license on or after September 1, 2012 will be destroyed. The application appears to meet the definition of a source document as defined in §302.065.4.

If the application is not considered a source document, each and every one of the 2,149,588 pages will need to be reviewed by DLB staff to determine if they are in fact "source documents". When a source document is found, according to the proposed legislation, the document will need to be destroyed so as to make it irretrievable.

If DOR needs to review each document, the requirement to have all these documents destroyed by December 2013 is administratively and economically not feasible within the current revenue climate. In addition, there is no way to determine how long it may take just to review the 388,729 documents totaling 2,149,588 pages that have been digitally imaged as potential source documents since September 1, 2012, using current personnel. The total impact to review and destroy all source documents is unknown.

ASSUMPTION (continued)

OA-ITSD

Staff will need to:

- Create new screens to capture pertinent data;
- Change existing screens;
- Create new programs; and
- Change existing programs.

The level of effort needed to complete these requirements is valued at 560 FTE hours, resulting in a cost for OA-ITSD of **\$15,148**.

In summary, DOR assumes a cost of **\$54,068** (\$34,840 + \$4,080 + \$15,148) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

§302.065.4

DOR states that the proposed language defines the term "source documents" as used in this section to mean "original or certified copies, where applicable, of documents presented by an applicant as required under 6 CFR Part 37 to the Department of Revenue to apply for a driver's license or nondriver's license." In addition, this section includes language indicating "Source documents shall also include any documents required for the issuance, renewal, or replacement of driver's licenses or nondriver's licenses by the department of revenue under the provisions of this chapter or accompanying regulations."

The changes within this subsection will require DOR to:

- Modify procedures related to applicants with visual impairments required to present vision examinations in lieu of completing the examination in the license office or when they are unable to meet minimum vision readings when administered the test as part of the driver license or temporary instruction permit application.

ASSUMPTION (continued)

- Modify procedures and correspondence related to the review of applications to ensure the correct classification, endorsement and restrictions are issued based on vision examinations, written examination and skills examinations since we would not be able to determine errors made in processing. DOR would have to initiate correspondence to have the applicant return to the office to present the required documents again to verify the data.
- Modify procedures for verification of lawful status as required under §§302.063 and 302.181. DOR would have to deny individuals presenting a United States Customs and Immigration Services document for verification of lawful status when such document does not verify during initial check. Per the proposed changes in this section DOR would be unable to retain copies of the immigration document and any supporting documents for purposes of completing secondary and tertiary status reviews through the verification systems. Applicants would be turned away and required to contact the issuing agency for any status problem resolutions.
- Modify procedures related to verification of eligibility for J88 Hearing Impaired indicator, permanent disability indicators, and veteran's indicators.
- Modify procedures related to medical review cases where applicants are required to present additional medical statements to complete their license application process, such as when applicant has had a self reported loss of consciousness.
- Modify forms and manual related to the submission and retention of source documents.
- Modify website information related to source documents.

Driver License Bureau - FY 14

Administrative Analyst	200 hrs @ \$24 (1 ½) per hr	\$ 4,800
Management Analyst Specialist II	200 hrs @ \$23 per hr	\$ 4,600
Revenue Band Manager	80 hrs @ \$30 per hr	\$ 2,400
<b>Total</b>		<b>\$ 11,800</b>



ASSUMPTION (continued)

Personnel Services Bureau - FY 14

Update Web Page Information - Administrative Analyst III	160 hrs @ \$22	\$ 3,520
Develop Procedures - Management Analysis Spec I	160 hrs @ \$20	\$ 3,200
	<b>Total</b>	<b>\$ 6,720</b>

In summary, DOR assumes a cost of **\$18,520** (\$11,800 + \$6,720) in FY 2014 to provide for the implementation of the changes in this section of the proposal.

§302.065.5

This subsection requires DOR to create an in-house process for printing concealed carry weapon endorsements, to be available upon the request of the applicant. This requirement conflicts with the other provisions in this bill removing DOR ability to issue concealed carry weapon (CCW) endorsements as of August 28, 2013. Because DOR will no longer be issuing CCW endorsements effective August 28, 2013, this section will not have a fiscal impact on DOR.

§302.065.6

DOR states this legislation removes the liability caps and allows the plaintiff to sue for any non-economic and punitive damages, as well as injunctive relief and attorney fees in the circuit court where the person resided at the time of the violation or in the circuit court or the circuit court of Cole County to recover such damages from DOR and any persons participating in such violation.

The provisions in this proposal may make DOR employees personally liable.

The fiscal impact from this proposal is unknown. While DOR does not anticipate any liability under this subsection, removing any liability caps could subject the Department to any amount deemed appropriate by a court.

Any action by any employee could subject the state to liability concerns, whether with the endorsement or even knowledge of the Director or Department's management. The fiscal ramifications of this are unknown, but potentially large.

**Oversight** assumes liability, as outlined in this subsection, is speculative and for fiscal note purposes only, will assign no fiscal impact to this subsection.

ASSUMPTION (continued)

§§57.010, 57.104, 57.280, 221.070, 221 102 - SHERIFFS

§ 57.010 - Qualifications for election of sheriff

**Oversight** assumes this section places requirements on candidates for the office of sheriff. This proposal would not have a fiscal impact on state or local funds.

§ 57.104 - Sheriffs can hire an attorney

**Oversight** assumes this section of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

§ 57.280 - Sheriff salary

**Oversight** assumes this part of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

§ 221.070 - Prisoners liable for cost of imprisonment

Officials from **DOR** assume if a person has not paid all money owed to the county jail upon release from custody and has failed to enter into, or honor an agreement with the sheriff to make payments toward the debt according to a repayment plan, the sheriff certifies to the clerk of the court the amount of the outstanding debt.

The circuit clerk reports to the Office of State Courts Administrator (CTS) the debtor's full name, date of birth, address, and the amount the debtor owes to the county jail. If the person satisfies the debt to the county jail or begins making regular payments in accordance with an agreement with the sheriff, the sheriff notifies the circuit clerk who then notifies CTS that the person shall no longer be considered delinquent.

DOR assumes this section would not fiscally impact their agency.

§ 221.102 Jail Canteen

**Oversight** assumes this section of the proposal is permissive and would not have a fiscal impact without action of a municipality, therefore, Oversight will not reflect a fiscal impact.

ASSUMPTION (continued)

§§170.315 & 171.410 - INTRUDER TRAINING AND GUN SAFETY IN PUBLIC SCHOOLS

§170.315 - Active Shooter and Intruder Response Training for Schools Program (ASIRT)

Officials from the **Department of Elementary and Secondary Education (DESE)** state this section of the proposal will have no fiscal impact on their agency or on school districts.

Officials from the **Parkway School District** assume an unknown fiscal impact on their district.

**Oversight** assumes this section of the bill is now permissive and although schools may provide training and education about firearms safety, it is optional. Local law enforcement also will incur no training costs, unless the schools opt for the training.

§171.410 - Eddie Eagle Gun Safety Program

According to officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)**, the Public Information and Education Division currently offers the Eddie Eagle Gun Safety program to elementary school children upon a request from the school. In August 2012, a new Active Shooter power point program was introduced which is about an hour in length. Additionally, the Missouri School Board Association through the Center for Education Safety, and in conjunction with the Missouri Department of Public Safety, currently offers an active shooter training for school teachers and faculty through a company in Kansas known as STRATEGO. Therefore, the MHP anticipates no fiscal impact.

Officials from the **Parkway School District** assume an unknown fiscal impact on their district.

Officials from **DESE** state this section will have no fiscal impact on their agency or on school districts.

§302.181 - FORM OF LICENSE - CONCEALED CARRY ENDORSEMENT

DOR assumes this section proposes a change to include "as §571.101 existed prior to August 28, 2013" in reference to determining expiration of nondriver's license containing a concealed carry endorsement. DOR assumes this section will have no impact since the provisions of changes to §571.101 included within this bill indicate DOR will no longer issue endorsements on driver license or nondriver licenses after August 28, 2013, thus DOR is currently meeting this provision.

ASSUMPTION (continued)

§§571.101 & 571.101 - CONCEALED CARRY PERMITS

§571.101

Officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** state that should this proposed legislation be written into law, there will be significant operational and financial impacts that result. The initial implications are briefly outlined below:

The system design of the state Automated Fingerprint Identification System (AFIS) system workflow will need to be modified in the following ways: a workflow will need to be created to enable incoming Concealed Carry Weapon (CCW) submissions to be identified by the system and process through the system without updating, inserting, or saving any fingerprint or demographic data. This will be an entirely new workflow that occurs outside of normal AFIS processing.

Modifications will also need to be made to the state Computerized Criminal History (CCH) system. Modifications will enable the issuance of a SID number without saving any data from the transaction or permanently establishing a SID number.

Modifications will also need to be made to the state digital archiving system, Content Manager. After records are processed through AFIS, a copy is archived. Copies are often retrieved to either provide a reprinted copy to the submitting agency, should the initial results not be received and also to assist in billing questions. Neither of these functions will be possible with the enactment of this proposed legislation.

In addition to the above concerns, all three of the systems listed above are backed up. Additional modifications will need to be made to either prevent this data from being included in the backups or purge the data after they have already been done.

In addition to the system workflow modifications that will be required, enactment of this legislation will prevent any sheriff's offices from enrolling (CCW) applicants into the upcoming state or FBI Rapback program in which subsequent arrest information is provided to the enrolling agency.

Also, this legislation could result in the exclusion of sheriff's offices from participating in the MACHS2 program for CCW applicants which would enable them to receive the results of the background check online in a matter of minutes, in most cases, via a secure website.

ASSUMPTION (continued)

In addition to the changes listed above, the largest concern is the MHP inability to comply with the requirement to destroy all documents including fingerprint records that were provided by an applicant for a CCW endorsement prior to August 28, 2013. Due to system design, this mandate would not be possible due to the fact that the capability that would be required to identify all of these records in their entirety does not exist. Some of these records could be purged (the ones in which the CCW prints were the only prints that individual has one file), although the process to do so would be completely manual and would consume hundreds, if not thousands of man-hours.

The records that could not be completely purged in their entirety would be all of the records in which more than one set of fingerprints has been submitted for that individual. Since a composite set of fingerprints of the best fingerprint images is retained in AFIS, along with the most recent OCN, name, sex, race, and date of birth, the information stored in AFIS is a "hybrid" of all fingerprint submissions for that person throughout their lifetime, in order to ensure the best fingerprint images possible.

Also, any CCW submissions prior to August 1, 2008, would not be able to be purged, due to resources that do not exist to completely identify and purge these records from all systems completely.

Lastly, due to the fact that these fingerprints already exist in the state AFIS database, there is a very real possibility that some of these may be tied to latent (crime scene) cases. Deleting these tenprints may require the potential purging of these latent cases as well.

Because of the complexity and enormity of modifying the current AFIS system, the exact fiscal impact is unknown. An estimated quote from MorphoTrak, the state AFIS vendor, for this work has not been received at this time; however, due to the nature of the workflow that would need to be altered/implemented, the cost estimate is expected to be approximately **\$750,000**.

§571.101.1

**DOR** assumes this section proposes to change concealed carry endorsements to a concealed carry "permit". This subsection includes language making the new concealed carry permit valid for a period of five years. Proposed language indicates a concealed carry endorsement issued prior to August 28, 2013, shall continue for a period of three years from the date of issuance or renewal authorizing the carrying of concealed weapons as would the newly proposed permit.

ASSUMPTION (continued)

DOR will continue to issue endorsements as currently required up to August 28, 2013, when based on other provisions within this bill the DOR will no longer issue new or renewal concealed carry endorsements. The changes in this section have no impact on DOR.

§571.101.7

DOR assumes the change from "concealed carry endorsement" to "concealed carry permit" would remove the requirement for the Director of Revenue to issue a concealed carry endorsement.

The changes within this section of the bill removing the endorsement issuance requirements will require DOR to:

- Complete a sweep of the system to remove all data associated with the concealed carry endorsement issuance from the Missouri Driver Record, Central Driver Information System and Certificate of Qualification for a Concealed Carry Weapon Endorsement file used for confirmation of valid issuance;
- Stop all renewal notices related to concealed carry weapons endorsements;
- Remove all action processes related to concealed carry weapons endorsement holders;
- Perform programming changes to DOR systems to update the application process to eliminate the option to add or renew a concealed carry endorsement;
- Modify the design of the nondriver or driver license to remove option for CCW endorsement posting; and
- Work with the Office of State Courts Administrators to modify the reporting for concealed carry endorsement suspensions and revocations to ensure the form is submitted to the issuing sheriff agency.

Driver License Bureau FY 14

Administrative Analyst	400 hrs @ \$24 (1 ½) per hr	\$ 9,600
Management Analyst Specialist II	480 hrs @ \$23 per hr	\$ 11,040
Revenue Band Manager	80 hrs @ \$30 per hr	<u>\$ 2,400</u>
	<b>Total</b>	<b>\$ 23,040</b>

ASSUMPTION (continued)

Personnel Services Bureau FY 14

Update Web Page Information - Administrative Analyst III	20 hrs @ \$22	\$ 440
Develop Procedures - Management Analysis Spec I	40 hrs @ \$20	\$ 800
	<b>Total</b>	<b>\$ 1,240</b>

OA-ITSD

ITSD hours calculated on 800 FTE hrs x \$27.05 per hr = **\$21,640**

License Contractor hours to update design documents and modify folio formats for issuance of the document with the endorsement: MorphoTrust: 140 hours x \$200 per hr = **\$28,000**

In summary, DOR assumes a cost of **\$73,920** (\$23,040 + \$1,240 + \$21,640 + \$28,000) in FY 14 to provide for the implementation of the changes of this section of the proposal.

Revenue Impact

The provisions of §571.101 already remove the renewal requirement for the CCW endorsement. The revenue impact is addressed under those provisions. However, in addition to the revenue loss from the removal of the CCW expiration, there will be an unknown loss in revenue from the underlying bill requiring CCW endorsement holders to eventually possess a CCW permit issued by the sheriff.

There is a potential loss of general revenue collections due to the decrease in applicants for new, duplicate or renewal documents for a Concealed Carry Weapon (CCW) endorsement.

As of 3/21/2013, the total concealed carry endorsement holders on file was 178,854.

For purposes of this fiscal estimate, an estimated 97 % of CCW holders have added it to a nondriver license (NDL); therefore approximately 3% have it on a driver license.

$178,854 \times 97\% = 173,488/3 \text{ years} = 57,829$  estimated annual applicants for CCW endorsement renewal for nondriver licenses.

ASSUMPTION (continued)

Nondriver License with CCW:

57,829	Estimated annual NDL applicants renewing CCW.
x \$3	Fee for new or renewal nondriver with CCW.
\$173,487	Estimated annual loss of General Revenue due to estimated reduction in NDL transactions from elimination of CCW renewal requirement.

$\$173,487/12 = 14,457 \times 10 \text{ months} = \mathbf{\$144,570}$  estimated loss in FY 14.

**\$173,487** estimated loss in FY 15 and 16.

Driver License with CCW:

$178,854 \times 3\% = 5366/6 \text{ years} = 894$  estimated annual applicants for CCW endorsement renewal for driver licenses.

894	Estimated annual driver license applicants renewing CCW endorsement
x \$ 7.50	Estimated duplicate operator license applied to renew CCW endorsement.
\$6,705	Estimated annual loss from reduction in driver license CCW endorsements.

$\$6,705/12 = \$559 \times 10 = \$5,590$  estimated loss of funds from driver license with CCW applications in FY 14.

FY 14

$\$5,590 \times 75\% = \mathbf{\$4,193}$  Loss to Highway Fund  
 $\$5,590 \times 15\% = \mathbf{\$ 839}$  Loss to Cities  
 $\$5,590 \times 10\% = \mathbf{\$ 558}$  Loss to Counties

FY 15 and FY 16

$\$6,705 \times 75\% = \mathbf{\$5,029}$  Loss to Highway Fund.  
 $\$6,705 \times 15\% = \mathbf{\$1,006}$  Loss to Cities.  
 $\$6,705 \times 10\% = \mathbf{\$ 670}$  Loss to Counties.

**Oversight** will assume no loss in the number of Driver's Licenses and will show no impact to Highway Fund, Cities, or Counties.

LMD:LR:OD



ASSUMPTION (continued)

However, it is noted that DOR pays \$2.2261 per license issued. Assuming 57,829 nondriver license applicants annually will not renew, DOR will no longer incur the cost to produce and mail the license, resulting in a savings of \$128,733.

FY 14 - **\$107,278** estimated savings to the General Revenue fund.

FY 15 & 16 - **\$128,733** estimated savings to the General Revenue fund.

License Office Revenue

58,723	Estimated annual CCW endorsement renewals
x \$2.50	Processing fee for a nondriver with CCW or duplicate driver license with CCW
\$146,808	

FY 14

$\$146,808/12 = \$12,234 \times 10 = \mathbf{\$122,340}$  estimated loss in FY 14 of license office processing fees due to the elimination of the CCW endorsement.

FY 15 & FY 16

**\$146,808** estimated annual loss of license office processing fees.

§571.101.9

DOR assumes this subsection includes a provision that as of August 28, 2013, DOR shall not keep any record of an application for a concealed carry permit. This section further requires that the DOR shall give to the sheriff of any county or city not within a county in which the applicant resides, any information collected by DOR related to an application for a concealed carry endorsement.

The changes proposed in this section further require DOR to destroy any records and files in DOR possession that are associated with any application for a concealed carry endorsement by February 1, 2014.

This conflicts with §571.104, RSMo, which requires DOR to suspend or revoke the endorsement under enumerated circumstances.

LMD:LR:OD

ASSUMPTION (continued)

This section will require DOR to provide a listing of concealed carry endorsement holders by originating number of agency issuing certificate of qualification and provide all application related information.

§571.101.10

**DOR** assumes proposed changes in this subsection prohibit the release of information regarding any holder of a concealed carry permit or concealed carry endorsement issued prior to August 28, 2013. It further indicates no bulk download or batch data shall be performed or distributed to any federal, state or private entity. Any state agency that has retained any documents or records, including fingerprint records, shall destroy such documents or records upon successful issuance of a permit

§§571.101 & 571.104

According to officials from the **Department of Public Safety - Missouri State Highway Patrol**, currently, concealed carry weapon information is maintained by the Department of Revenue. The Missouri Uniform Law Enforcement System (MULES) is only a pass-through for the information. A database file would have to be developed by the Highway Patrol and the vendor, CPI, to be able to store the information in MULES and have it readily available upon request from law enforcement. This database would have to maintain information that shows compliance and also allow the sheriff's department to make status changes. The following is a breakdown of the changes and the resulting cost for the Patrol:

\$10,000 - Discovery and Design  
\$75,000 - Database Modifications and Reporting  
\$25,000 - Message Switch Modifications  
\$15,000 - Testing  
\$25,000 - Project Management  
**\$150,000 - Total**

The total cost to the Patrol is **\$150,000** (\$10,000 + \$75,000 + \$25,000 + \$15,000 + \$25,000). There will be an annual maintenance cost of approximately \$7,500 for the database modifications and reporting and \$2,500 for the message switch modifications.

§571.104.1 (4)

**DOR** assumes this subsection includes new provisions for persons with a concealed carry permit

LMD:LR:OD

ASSUMPTION (continued)

or concealed carry endorsement issued prior to August 28, 2013 upon conviction, discharge or commitment specified in §§571.101 to 571.121, resulting in a full revocation of privilege. The sheriff shall report the change in status to the MULES. DOR will be unable to take action since all record data will have been removed as prescribed.

571.104.3

**DOR** assumes this subsection proposes to remove provisions requiring the sheriff to notify DOR if a concealed carry certificate holder failed to renew the certificate within six-months. This change requires DOR to modify the concealed carry endorsement action entry screens to remove the option to invalidate concealed carry endorsement when notified by the sheriff of failure to renew.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Office of Administration - Division of Accounting, Office of State Courts Administrator, Joint Committee on Administrative Rules, Office of State Treasurer, Kansas City Public School District, Springfield Police Department, University of Missouri System (Charter School Sponsor), and St. Louis County** each assume the proposal would not fiscally impact their respective agencies.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity

ASSUMPTION (continued)

each year. Oversight assumes DOR could absorb at least some of the costs related to this proposal within normal working hours. Oversight will reflect administrative cost to the DOR of "Up to" their estimate. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Savings</u> - Department of Revenue (DOR)			
- Costs to produce and mail licenses (§571.101.7)	\$107,278	\$128,733	\$128,733
<u>Costs</u> - DOR - Identification numbers (§32.090)	(Up to \$1,531)	\$0	\$0
<u>Costs</u> - DOR - Indemnification of local fee offices (§136.055)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DOR - Programing expenses to review and destroy all source documents (§§302.065.3 & 4)	(Up to \$72,588)	\$0	\$0
<u>Costs</u> - DOR - Programming expenses for concealed carry permits (§571.101.7)	(Up to \$73,920)	\$0	\$0
<u>Revenue Loss</u> - DOR - Decrease in fees for CCW endorsements (§571.101.7)	<u>(\$144,570)</u>	<u>(\$173,487)</u>	<u>(\$173,487)</u>
<b>ESTIMATE NET EFFECT ON GENERAL REVENUE</b>	<b>(Up to \$185,331 to <u>Unknown</u>)</b>	<b>(Up to \$44,754 to <u>Unknown</u>)</b>	<b>(Up to \$44,754 to <u>Unknown</u>)</b>

<u>FISCAL IMPACT - State Government</u>	FY 2014	FY 2015	FY 2016
(Continued)	(10 Mo.)		

**CRIMINAL RECORDS FUND**

Costs - Missouri State Highway Patrol - Consultant Fees & Annual maintenance (§§571.101 & 571.104)	(\$150,000)	(\$10,250)	(\$10,250)
Morpho Track Fees (§571.101)	<u>(\$750,000)</u>	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON CRIMINAL RECORDS FUND</b>	<b><u>(\$900,000)</u></b>	<b><u>(\$10,250)</u></b>	<b><u>(\$10,506)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014	FY 2015	FY 2016
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business fee offices could lose revenue as a result of this proposal.

FISCAL DESCRIPTION

This proposed legislation modifies provisions relating to firearms, sheriffs, intruder training and gun safety in public schools, source documents for driver's licenses, knives, and concealed carry permits.

§§32.090, 136.055, 302.065, 571.500 - DATA COLLECTED BY THE STATE AND ITS AGENTS

§32.090 - APPLICANT UNIQUE IDENTIFICATION NUMBERS

The Department of Revenue (DOR) may require applications received from license plate applicants, boating applicants, and manufactured home applicants to include the applicant's unique identification number (driver's license number, nondriver's license number, or social security number). The unique identification number shall be treated as personal, non-public information.

DESCRIPTION (continued)

§136.055 - INDEMNIFICATION OF FEE OFFICES

DOR must indemnify and hold harmless any fee office for any liabilities, including attorney's fees, imposed on the fee office relating to any action, suit, or proceeding if the fee office was acting in the course of its official duties and pursuant to state law or DOR rules and regulations.

§302.065 - SOURCE DOCUMENTS FOR DRIVER'S LICENSES

This section prohibits DOR from retaining copies, in any format, of source documents presented by individuals applying for or holding driver's licenses or nondriver's licenses, except for the minimum copies required by federal law for the issuance or renewal of commercial driver's licenses and commercial driver instruction permits. DOR is prohibited from using technology to capture digital images so the images are capable of being retained in electronic storage in a transferable format. DOR must not require the scanning of source documents for the issuance of a concealed carry endorsement. In addition, DOR must securely destroy any sources documents obtained after August 28, 2012 from driver's license or nondriver's license applicants.

The term "source documents" is defined in the act.

DOR must create a process for printing concealed carry endorsements.

Any person harmed or damaged by a violation of this section may bring a civil action for damages in addition to injunctive relief, in the circuit court where that person resided at the time of the violation or the circuit court of Cole County to recover damages from DOR any persons participating in the violation. Sovereign immunity is eliminated for DOR in such an action. If the plaintiff prevails, he or she will be entitled to reasonable attorney fees.

§571.500 - PROHIBITION ON SHARING RECORDS OR DEVELOPING DATABASES WITH THE FEDERAL GOVERNMENT

This section prohibits state agencies, departments, contractors and agents working for the state from constructing, enabling, maintaining, participating in, developing or cooperating with the federal government in developing a database or record of the number or type of firearms, ammunition, or firearms accessories that an individual possesses.

DESCRIPTION (continued)

§§57.010, 57.104, 57.280, 221.070, 221.102 - SHERIFFS

§57.010 - QUALIFICATIONS FOR ELECTION OF SHERIFF

This section provides that no person will be eligible for the office of sheriff unless he or she holds a valid peace officer license under Chapter 590. Any person filing for the office must have the license at the time of filing. These provisions do not apply to St. Louis County or St. Louis City.

§57.104 - SHERIFFS CAN HIRE AN ATTORNEY

The sheriff of any charter county, any first class county, second class county, third class county, or fourth class county may employ an attorney to aid and advise the sheriff in the discharge of his or her duties and represent him or her in court.

§57.280 - SHERIFF SALARY

This section requires that moneys collected by sheriffs of any charter county, any first class county, second class county, third class county, or fourth class county for serving any summons, writ, or other order of the court in connection with any civil case be held in a fund by the county treasurer. Beginning October 1, 2013, these moneys must be used to supplement the 2013 sheriff's salary and any future increase in salary, benefit package, and cost of living, in an amount not to exceed the annual salary of an associate circuit judge. Any remaining moneys must be used for the procurement of services and equipment to support the operation of the sheriff's office.

§221.070 - PRISONERS LIABLE FOR COST OF IMPRISONMENT

Under current law, prisoners in a county jail must pay the costs of their board. This section requires the circuit clerk in each county to report to the Office of State Courts Administrator the names of people certified by the sheriff as being delinquent in the payment of money owed for a period of imprisonment in a county jail. Whenever a person has satisfied his or her debt or begun making regular payments to the sheriff, the sheriff must notify the clerk that the person is no longer considered delinquent.

§221.102 - JAIL CANTEEN

The sheriff of any county may establish and operate a canteen or commissary in the county jail

FISCAL DESCRIPTION (continued)

for the use and benefit of the prisoners. The revenues received from the canteen or commissary must be kept in a separate account and must be used to acquire the goods sold and other minimum expenses of operation. Any excess moneys must be deposited in the Inmate Prisoner Detainee Security Fund.

§§170.315 & 171.410 - INTRUDER TRAINING AND GUN SAFETY IN PUBLIC SCHOOLS

§170.315 - ASIRT

This section establishes the Active Shooter and Intruder Response Training for Schools Program (ASIRT). By July 1, 2014, each school district and charter school may train teachers and school employees on how to respond to students with information about a threatening situation and how to address a potentially dangerous or armed intruder or active shooter in the school or on school property. Training may be conducted on an annual basis. Initial training may be eight hours in length and continuing training may be four hours in length. All school personnel must annually participate in a simulated active shooter and intruder response drill conducted by law enforcement professionals, as described in the act. Program instructors must be certified by the Department of Public Safety's Peace Officers Standards Training Commission.

§171.410 - EDDIE EAGLE GUNSAFE PROGRAM

Each school district and charter school may annually teach the Eddie Eagle Gunsafe Program to first grade students, or use a substantially similar or successor program of the same qualifications. The purpose of the program will be to promote safety and protection of children and emphasize how students should respond if they encounter a firearm. School personnel and program instructors must not make value judgments about firearms. Firearms are prohibited from the teaching of the program. Students with disabilities will participate to the extent appropriate.

§571.010 - DEFINITION OF KNIFE

This section changes the definition of "knife" for purposes of Chapter 571 to include a switchblade knife or any knife used for hunting or fishing, whether fixed blade or folding in nature.



DESCRIPTION (continued)

§§571.101 & 571.104- CONCEALED CARRY PERMITS

§571.101

Under current law, a person seeking to carry concealed firearms must apply to the sheriff for a certificate of qualification for a concealed carry endorsement. Upon the issuance of the certificate, the person must then present the certificate to the DOR, which issues a driver's licenses or nondriver's licenses with a concealed carry endorsement.

This act repeals the provisions requiring the person to present the certificate to the DOR for a driver's license or nondriver's license with a concealed carry endorsement. Instead, the permit issued by the sheriff authorizes the person to carry concealed firearms.

Concealed carry permits will be valid for five years from the date of issuance or renewal. A concealed carry endorsement issue prior to August 28, 2013 must continue for a period of three years from the date of issuance or renewal, as described in the act.

This act changes the eligibility requirements for a concealed carry permit. Non-citizens who are United States permanent residents are eligible. Currently, an applicant must not have pled guilty or pled no contest to certain crimes punishable by a prison term of one year or less. This act increases the prison term to two years. Applicants must also not otherwise be prohibited from possessing a firearm under section 571.070 or 18 U.S.C. 922(g). If an applicant is not a U.S. citizen, the application must include his or her country of citizenship and any alien or admission number issued by the federal Bureau of Customs and Immigration Enforcement. An applicant must show a government-issued photo identification only for the purpose of verifying the person's identify for permit renewal.

The concealed carry permit must specify only the following information: the permit holder's name, address, date of birth, gender, height, weight, color of hair, color of eyes, and signature; the signature of the issuing sheriff; the date of issuance; and the expiration date.

The permit must be no larger than two inches wide by three and one-fourth inches and must be of a uniform style. The permit must be assigned a Missouri uniform law enforcement system county code and must be stored in sequential number.

Biometric data is prohibited from being collected from the applicant. The sheriff must perform an inquiry of the National Instant Criminal Background Check System. If no disqualifying information is identified, the sheriff must issue the permit. However, if the required background

FISCAL DESCRIPTION (continued)

checks are not completed within forty-eight hours and no disqualifying information has come to the sheriff's attention, the sheriff must issue a provisional certificate of qualification. The provisional certificate will be valid until the sheriff issues or denies the certificate of qualification. If the background checks identify a disqualifying record, the sheriff must revoke the provisional certificate.

Sheriffs must keep a record of all applications for concealed carry permits or provisional certificates of qualification. Any record of an application that is incomplete or denied must be kept for a period not to exceed one year. Records of approved applications must be kept for one year after the expiration and non-renewal of the permit. Beginning August 28, 2013, the DOR must not keep any records of applications for concealed carry permits. Other information regarding records retention or records non-retention or prohibition of records retention or mandatory destruction of certain records is described in the act.

Certain personal protected information is required to not be batch processed for query and is only available for a single entry query if an individual is a subject of interest in an active criminal investigation or is arrested for a crime. In addition, the distribution of bulk downloads or batch data to federal, state, or private entities is prohibited. Any state agency that has retained any documents or records, including fingerprint records provided for a concealed carry endorsement prior to August 28, 2013 must destroy them upon successful issuance of a permit.

§571.104

This section adds an emergency ninety-six hour commitment for evaluation to the instances when a concealed carry endorsement or permit holder must surrender the endorsement or permit . If a permit holder is convicted, as described in the act, the court must forward the permit to the issuing sheriff.

To renew a concealed carry permit, the applicant need only display his or her current concealed carry permit. A name-based background check, including an inquiry of the National Instant Criminal Background Check System, must be done for each renewal. The process for renewing a concealed carry endorsement issue prior to August 28, 2013 will be the same as for renewing a concealed carry permit except that the applicant need only display his or her current driver's license or nondriver's licence containing an endorsement in lieu of the fingerprint and firearms safety training requirement.

Late fees assessed for a renewal and notice of expired certificates to the Missouri uniform law enforcement system and the individual are extended to concealed carry permits. Also, when a

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FISCAL DESCRIPTION (continued)

permit or endorsement holder's permanent address changes and he or she reports the address change to the sheriffs, the sheriff of the new jurisdiction must charge a ten dollar processing fee. If the person has a concealed carry endorsement issued prior to August 28, 2013, he or she must also furnish proof to the DOR. The sheriff must report the residence change to the Missouri uniform law enforcement system. A ten dollar fee is required for the replacement of a lost or destroyed permit or a driver's license or nondriver's license containing a concealed carry endorsement. A sheriff may charge a ten dollar fee for name changes. The sheriff must report the name change to the Missouri uniform law enforcement system.

§571.107

This section repeals the requirement that a concealed carry endorsement suspension be reinstated at the time of the individual's driver's license.

§571.111 - FIREARMS SAFETY INSTRUCTION

This section reduces, from fifty to twenty, the number of minimum rounds of live firing an applicant must do to receive a certificate of firearms safety training course completion by a qualified firearms safety instructor.

Certificates from a firearms safety instructor course approved by the Department of Public Safety must be notarized.

This section allows a qualified firearms safety instructor to submit a notarized NRA training instructor certificate, course outline, and recent photograph to the sheriff of the county in which he or she resides. The sheriff must collect an annual ten dollar fee from an instructor who chooses to submit the information and must retain a database of qualified instructors. This information will be a closed record except for access to any sheriff.

Any firearms safety instructor who violates any provision of §571.111 will be prohibited from instructing concealed carry permit classes and issuing certificates.

FISCAL DESCRIPTION (continued)

§571.114 - OTHER CONCEALED CARRY CHANGES

The forms used to petition a court to revoke an individual's concealed carry permit or endorsement will be updated to incorporate changes in the law, including: the previously mentioned allowable increase in prison term from one year to years' imprisonment; the effect of the issuance of a provisional certificate of qualification; and disqualification based on 18 U.S.C. 922(g).

The term "concealed carry endorsement" is replaced, or supplemented with, the phrase "concealed carry permit" throughout to reflect the change from the issuance of a concealed carry endorsement to a concealed carry permit. In addition, "permanent resident" is added in conjunction with "United States citizen" or "U.S. citizen." (§§50.535, 302.181, 571.030, 571.037, 571.107, 571.114, 571.121)

§650.350 - CREATION OF CONCEAL CARRY PERMIT FUND WITH MOSMART

This section creates the "Conceal Carry Permit Fund" within the state treasury. The director of the Department of Public Safety must distribute at least fifty percent, but not more than one hundred percent, of the fund annually in the form of grants approved by MoSMART. The Department must administer all MoSMART grant deposits. Grant funds must be spent first to ensure county law enforcement agencies' ability to comply with the issuance of conceal carry endorsements, including but not limited to, equipment, records management hardware and software, personnel, supplies, and other services.

This act repeals §571.102, which governed the effective date of the law based on the date when the Department of Revenue begins issuing nondriver licenses with conceal carry endorsements.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Public Safety  
    Missouri State Highway Patrol  
Office of Administration  
    Division of Accounting  
Department of Elementary and Secondary Education  
Office of Secretary of State  
    Administrative Rules Division  
Joint Committee on Administrative Rules  
Office of State Courts Administrator  
Office of Attorney General  
Office of State Treasurer  
School Districts  
    Kansas City Public School District  
    Parkway  
Charter Sponsor  
    University of Missouri System  
Local Law Enforcement  
    Springfield Police Department  
St. Louis County



Ross Strobe  
Acting Director  
May 7, 2013