

CALIFORNIA DEPARTMENT OF JUSTICE
TITLE 11. LAW
DIVISION 5. FIREARMS REGULATIONS
CHAPTER 1. BUREAU OF FIREARMS FEES
and
CHAPTER 14. CARRY CONCEALED WEAPONS LICENSES

ECONOMIC AND FISCAL IMPACT STATEMENT (STD 399) ATTACHMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT

Fiscal Estimates Provided in SB 2's Legislative History

The bill analysis provided by the Senate Appropriations Committee contained the following information regarding SB 2's fiscal impact on local government:

Local Costs: Unknown, possibly reimbursable costs, to local law enforcement agencies, including city police agencies and county sheriff offices to comply with the requirements in this bill for issuing CCWs (Local Funds, General Fund).

Prior to the *Bruen* decision, local law enforcement used a good cause standard to make case-by-case decisions on CCWs. This bill may require a more nuanced evaluation of a CCW application. Local costs could be in the millions in the first two or three fiscal years as more people apply for CCWs following the Supreme Court's ruling, with costs declining over time. Costs to the General Fund will depend on whether the duties imposed by this bill constitute a reimbursable state mandate, as determined by the Commission on State Mandates.

(Sen. Com. on Appropriations, Analysis of Sen. Bill No. 2 (2023-2024 Reg. Sess.) as amended March 1, 2023.)

Additional Calculations

Licensing authorities may charge a fee in an amount equal to the reasonable costs for processing the application for a new CCW license or a license renewal, issuing the license, and enforcing the license, including any required notices, excluding fingerprint and training costs. (Pen. Code, § 26190, subd. (b).) In the case of an amended license, the licensing authority may charge a fee in an amount not to exceed the reasonable costs to process the amended license. (Pen. Code, § 26190, subd. (d).)

B. FISCAL EFFECT ON STATE GOVERNMENT

Estimated Costs

The bill analysis provided by the Senate Appropriations Committee contained the following information regarding SB 2's fiscal impact on the Department of Justice (DOJ):

Under DOJ's 36-month timeline for planning and implementation of SB 2, the Application Development Bureau needs to collaborate with the impacted programs, and perform required changes to all impacted systems, including the Armed Prohibited Persons Systems (APPS), Assault Weapon Registration application, CCW system, Dealer Record of Sale (DROS), and the Prohibited Applicant Database. Numerous permanent positions and temporary consulting and IT help hours are required to plan, perform analysis, design, develop, and implement IT solutions.

The Enterprise Services Bureau (ESB) needs to collaborate with the impacted programs to plan, oversee, and manage all project phases that include analysis, requirements specifications, design, implementation, testing, transition to production, project close-out, and post implementation. The ESB requires numerous permanent positions and temporary consulting and IT help hours. Numerous permanent positions are also required in the Criminal Record Update Program and the Criminal Record Expedite and Support Program.

The Cal-ID program requires numerous permanent Crime Analyst positions as well as overtime hours for comparison and verification of incoming electronic fingerprint images with existing department records for Subsequent CCW Licenses.

The Division of Law Enforcement (DLE) requires numerous limited term positions to process an increase in firearm reporting forms to require that a CCW applicant be the recorded owner of the firearm for which the license would be issued. Additional permanent positions are necessary for hearings related to disqualified persons determinations and background screenings.

The DOJ also anticipates an increase in litigation due to potential legal challenges to this bill. ... Although litigation costs are speculative, there have been a plethora of legal challenges to California's legislative efforts at gun control over the years, defended by the Attorney General.

The DOJ additionally anticipates hundreds of hours of overtime resources for IT enhancements, testing, or revising forms.

(Sen. Com. on Appropriations, Analysis of Sen. Bill No. 2 (2023-2024 Reg. Sess.) as amended March 1, 2023.)

Estimated Revenues

Following the U.S. Supreme Court's decision in *New York State Rifle & Pistol Association, Inc. v. Bruen*, the issuance of CCW licenses has increased 51% for new applicants and 26% for renewal applicants. DOJ collects CCW license fees pursuant to Penal Code section 26190 and California Code of Regulations, title 11, section 4006. DOJ also collects Live Scan fees pursuant to Penal Code section 11105, subdivision (u). The revenue from these fees is projected as follows:

	FY 2023-24 (1/1/24-6/30/24)	FY 2024-25	FY 2025-26
Initial CCW Licenses	75,304	113,482	171,015
Renewal CCW Licenses	77,282	97,409	122,779
Costs*	\$3.235 million	\$18.24 million	\$21.041 million
Revenue	\$5.087 million	\$14.342 million	\$20.365 million
Difference	\$1.852 million	-\$3.898 million	-\$676,000

* Costs reflect estimated additional expenditures resulting from the implementation of SB 2. Existing program costs are not included in these estimates. DOJ is monitoring its expenditures and revenues and may adjust fees as necessary.