

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-4543/1		Introduction Number SB-643		
Description Sales and transfers of firearms, records from sales of firearms, possession of firearms by persons convicted of violent offenses that are not felonies, and providing penalties				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> Indeterminate				
<input type="checkbox"/> Increase Existing Appropriations		<input checked="" type="checkbox"/> Increase Existing Revenues		
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues		
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs				
Local:				
<input type="checkbox"/> No Local Government Costs				
<input checked="" type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected				
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities		
<input type="checkbox"/> Counties		<input type="checkbox"/> Others		
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts		
Fund Sources Affected		Affected Ch. 20 Appropriations		
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS				
Agency/Prepared By		Authorized Signature		Date
DOJ/ Mark Rinehart (608) 264-9463		Mark Rinehart (608) 264-9463		4/7/2010

Fiscal Estimate Narratives

DOJ 4/7/2010

LRB Number	09-4543/1	Introduction Number	SB-643	Estimate Type	Original
Description Sales and transfers of firearms, records from sales of firearms, possession of firearms by persons convicted of violent offenses that are not felonies, and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

Under s. 175.35, generally a licensed firearms dealer may not transfer a handgun to a purchaser unless the purchaser has: 1) provided photo identification to the dealer; 2) completed a background information form; 3) passed a firearms restrictions record search conducted by the Department of Justice; and 4) forty-eight hours have elapsed from the time DOJ received the background information. The Federal Bureau of Investigation is responsible for conducting firearms restrictions record searches on long guns sold in Wisconsin.

DOJ operates the Handgun Hotline to receive telephone calls and background information forms from licensed firearms dealers between 9:00 a.m. and 9:00 p.m. on weekdays and 9:00 a.m. and 5:00 p.m. on weekends. The information provided by the dealers enables DOJ to perform the required background checks on handgun purchases. If an initial telephone review or a subsequent follow-up review discloses a disqualification that would bar handgun ownership, the purchase request is denied. The Handgun Hotline received 57,000 calls from dealers in 2009 and is staffed by six operators, one supervisor, and one clerical position.

2009 Senate Bill 643 creates s. 175.33, relating to transfers of firearms. Under proposed s. 175.33, no person may sell or transfer ownership of a firearm, or purchase or obtain ownership of a firearm, unless: a) the seller or transferor is a firearms dealer; b) the sale or transfer of ownership of the firearm is to a law enforcement or armed services agency, between dealers or a wholesaler and a dealer, or involves an antique firearm; c) the transferor is transferring ownership of the firearm on a temporary basis or to a family member as a gift; or d) the seller or transferor makes the sale or transfer to or through a firearms dealer.

Regarding sales and transfers of firearms made through a firearms dealer under proposed s. 175.33, SB 643: 1) expands the current photo identification, firearms restrictions record search, and 48-hour time period conditions under s. 175.35 to apply to handgun sales and transfers between private parties; and 2) requires the transferee of a long gun to provide photo identification to the firearms dealer, and requires the firearms dealer to provide his or her name, contact information, and information that identifies the long gun to DOJ, when a long gun is sold or transferred between private parties.

DOJ estimates that these two changes will result in approximately a 50% increase in the number of handgun sales or transfers processed annually by the Handgun Hotline, and approximately 200,000 long gun sales or transfers reported annually to DOJ. To comply with the handgun provisions of SB 643, DOJ anticipates needing significant additional resources for the Handgun Hotline. To comply with the long gun provisions of SB 643, DOJ anticipates developing, providing, and maintaining an Internet application allowing gun dealers to enter required information. Based on these estimates, DOJ will need the following resources to meet its new responsibilities under SB 643:

First Year Costs:

1) Staff:

6 Handgun Hotline operators - \$340,000
2,780 hours of private contractor work - \$194,600

Total Staff = \$534,600

2) Hardware/software:

Application & directory hardware - \$110,000
Database storage - \$40,000

Total Hardware/software - \$150,000

3) Forms:

Additional Handgun Sale Forms - \$2,000
New Firearm Identification Forms - \$18,000

Total Forms = \$20,000

Total First Year Costs = \$704,600

Second & Subsequent Year Costs:

1) Staff:

6 Handgun Hotline operators - \$290,000
1 Application Development/Support Technician - \$80,000

Total Staff = \$370,000

2) Forms

Additional Handgun Sale Forms - \$2,000
New Firearm Identification Forms - \$18,000

Total Forms = \$20,000

Total Second & Subsequent Year Costs = \$390,000

Under s. 175.35 (2i), DOJ shall charge a firearms dealer a \$13 fee for each firearms restrictions record search that a firearms dealer requests. Under the provisions of SB 643, the \$13 fee would apply to sales and transfers of handguns between private parties through a firearms dealer. As a result, based on 25,000 new record searches per year, SB 643 would generate an additional \$325,000 PR annually for the Handgun Purchaser Record Check appropriation.

Long-Range Fiscal Implications