

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 23

(Senator Klausmeier, *et al.*)

Judicial Proceedings

Handgun Permits - Alternative Expiration Date - Private Detectives, Security
Guards, and Special Police Officers

This bill authorizes the Secretary of State Police to establish an alternative expiration date for a permit to carry, wear, or transport a handgun if the permit holder has been issued a license or commission to be a security guard, a private detective, or a special police officer.

Fiscal Summary

State Effect: The bill allows for the alignment of the terms for handgun permits with the terms of certain occupational certifications, licenses, and commissions, which are also issued by the Department of State Police (DSP). *Under one set of assumptions*, general fund revenues from handgun permit renewal fees decrease by \$152,000 in FY 2021 due to the change in the term of the initial permit. If the bill's authority is used, it is assumed that operational efficiencies accrue to DSP.

Local Effect: None.

Small Business Effect: Potential meaningful. For private detective agencies, security guard companies, and companies that employ special police officers, the bill likely provides some operational efficiencies to have both business and individual license terms aligned with the terms of handgun permits.

Analysis

Current Law: Generally, with certain exceptions, to be issued a permit to carry, wear, or transport a handgun by the Secretary of State Police, an applicant (1) must be 18 or older; (2) must not have been convicted of a felony or misdemeanor for which a sentence of

imprisonment for more than one year has been imposed or, if convicted, must have been pardoned or been granted relief under federal law; (3) must not have been convicted of a controlled dangerous substance violation and must not presently be an addict, a habitual user of a controlled dangerous substance, or an alcoholic; (4) must not exhibit a propensity for violence or instability which may reasonably render possession of a handgun a danger to the applicant or another; (5) must have successfully completed, prior to application and each renewal, a specified firearms training course approved by the Secretary; (6) if younger than 30, must not have been committed to a facility for juveniles for longer than one year or adjudicated delinquent for a crime of violence, a felony, or misdemeanor that carries a statutory penalty of more than two years; and (7) must have a good and substantial reason to wear, carry, or transport a handgun. “Good and substantial reason” includes a finding that the permit is necessary as a reasonable precaution against apprehended danger. The Secretary may limit the geographic area; circumstances; or times of day, week, month, or year in which a permit is effective.

A handgun permit expires on the last day of the holder’s birth month following two years from the date of issuance. A handgun permit application costs \$75; two years after the initial permit and every three years thereafter, a \$50 renewal fee is due. In addition, the applicant must pay for fingerprint-based federal and State criminal history background checks for an initial application. A person who applies for a renewal of a handgun permit is not required to be fingerprinted unless the Secretary requires a set of the person’s fingerprints to resolve a question of the person’s identity.

The Secretary may not charge a fee to (1) a State, county, or municipal public safety employee who is required to carry, wear, or transport a handgun as a condition of governmental employment or (2) a retired law enforcement officer of the State or a county or a municipal corporation of the State.

Each individual subject to a criminal history records check (CHRC) is required to pay \$50 for a State and national CHRC, which includes a \$20 fingerprinting fee, a \$12 Federal Bureau of Investigation fee, and an \$18 fee to the Criminal Justice Information System (CJIS) Central Repository within the Department of Public Safety and Correctional Services. CJIS collects, manages, and disseminates Maryland Criminal History Record Information for criminal justice and noncriminal justice (*e.g.*, employment and licensing) purposes. CJIS is a fingerprint-supported system for positive identification.

Private Detective: Under the Maryland Private Detectives Act, the Secretary of State Police is responsible for the licensing of private detective agencies and the certification of individuals who provide private detective services in the State. Agency license terms are staggered. Renewals of agency licenses and individual certifications may occur every three years.

Security Guard: The Secretary of State Police is also responsible for the licensing of security guard agencies and the certification of individual security guards. Agency license terms are staggered. Renewals of agency licenses and individual certifications may occur every three years.

Special Police Officer: A special police officer holds a commission granted by the Governor. The Secretary of State Police must investigate the character, reputation, and qualifications of each applicant for a special police officer commission. The employer of an applicant for a commission must submit the application form, a complete set of the applicant's legible fingerprints, a fee to cover the cost of the fingerprint record, and an application fee of \$100, to cover the cost of the investigation. Application fees for special police commissions may not be charged to a unit of the State. An initial commission expires two years after the date of issuance and is renewable for a three-year term under specified conditions.

State Revenues: The bill gives the Secretary the authority to modify the initial term of a handgun permit to be greater than (or less than) the current two-year term set in statute. (This analysis assumes the Secretary increases the initial term.) However, the bill does not modify the statutory fee cap (the initial permit fee is set at the statutory maximum of \$75); thus, the Secretary is not able to make a proportionate increase in the fee for an initial handgun permit. To the extent the initial term for a handgun permit is changed, general fund fee revenues are affected, but that impact is delayed. Even so, the fiscal impact cannot be accurately determined without knowing how and when any such realignment is undertaken.

For illustrative purposes, this analysis assumes the Secretary exercises the authority to make the initial term the same as the renewal term (three years), if not for all permit holders, then at least for individuals certified as security guards and licensed as private detective agencies. According to DSP, in 2016, 5,400 security guards were certified and 680 private detectives were issued licenses. Assuming that half of all individuals certified as a security guard and issued a license as a private detective also applied for an initial handgun permit and that these numbers are relatively constant each year, the impact of the bill is delayed receipt of \$152,000 in renewal permit fees by one year: \$135,000 for security guards (2,700 security guards x \$50 renewal fee) and \$17,000 for private detectives (340 private detectives x \$50 renewal fee).

Thus, to the extent the Secretary exercises this authority under the scenario above, general fund revenues decrease due to permit holders having an extra year in their initial term without any proportionate increase in that initial permit fee. Instead, they pay the same renewal fee as would currently be due, just one year later.

Over a five-year period, this revenue loss is only reflected once. For example, if, because of the bill's October 1, 2017 effective date, this change were delayed for implementation

until fiscal 2019, there would not be an impact until fiscal 2021 because revenues would be collected as they normally are for initial permits in fiscal 2018, 2019, and 2020. In fiscal 2021, however, when renewal permits would otherwise be due, such fee revenue would not be collected for those who initially received their handgun permits in fiscal 2019. These individuals would pay for their renewal permits in fiscal 2022 instead; the revenue increase in that year would fully offset the revenue loss from individuals who received their initial permits in fiscal 2020 but would be renewing in fiscal 2023 under realignment.

Additional Information: The bill also may allow an initial handgun permit applicant to submit to fingerprint-based criminal history checks only once every three years instead of each time one of the two permits is renewed.

Although the bill authorizes the Secretary to establish an alternative expiration date for a permit to coincide with the expiration of a *license or commission* for a private detective, a security guard, or a special police officer, it is assumed that the bill also applies to *certifications*.

Additional Information

Prior Introductions: SB 276 of 2016, a similar bill, passed the Senate with amendments, was referred to the House Judiciary Committee, and had no further action taken on it.

Cross File: HB 877 (Delegate McComas, *et al.*) - Judiciary.

Information Source(s): Department of State Police; Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2017
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Analysis by: Shirleen M. E. Pilgrim

Direct Inquiries to:
(410) 946-5510
(301) 970-5510