

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 22, 2009
POSITION: Oppose

BILL NUMBER: AB 962
AUTHOR: K. De Leon

BILL SUMMARY: Ammunition

This bill would establish a database maintained by the Department of Justice (DOJ) to serve as a registry of handgun ammunition vendors. Additionally, the bill would require that, beginning July 1, 2010, no person shall sell or transfer 50 rounds of handgun ammunition in any month unless he or she is licensed as a handgun ammunition vendor. This bill would create a new crime, as a violation of certain provisions would result in a misdemeanor punishable by 6 months in county jail and/or a fine of up to \$1,000.

FISCAL SUMMARY

To implement this bill, DOJ estimates costs of \$306,000 in 2009-10, \$1.351 million in 2010-11, and \$616,000 in 2011-12. The bill would allow for a fee to be charged to cover DOJ's costs, but caps that fee at \$50. Fee revenues, from the bill's new fee as well as the existing fingerprint fee, would generate \$1.489 million in 2010-11 and \$801,000 in 2011-12. Although fee revenues would be sufficient to operate the program on an ongoing basis, the first year's costs would be unfunded. DOJ would have to seek additional funding, creating pressure on other special funds and possibly the General Fund.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the Original version do not alter our position. The amendments would:

- Expand the list of exceptions to the selling and transferring restrictions.
Provide that the Dealers' Record of Sale Special Account shall be made available for expenditure by DOJ to initiate the license program. Finance notes that this language does not provide an appropriation and that requests for expenditure authority would still need to be requested through the normal budget process.
Make other changes to the licensing and regulatory requirements of the new program.

COMMENTS

Finance is opposed to this bill given the cost pressures it would impose and the unfunded resources it would require in the first year of implementation. Although the bill would provide for a fee to be charged for this purpose, the fee would not be sufficient to fully fund this effort in the first year. Additionally, it may not be appropriate to impose additional workload during this time of limited state resources.

Furthermore, given that the licensing restriction would be in effect on July 1, 2010, and this bill, if chaptered, would be effective on January 1, 2010, DOJ would have only months to prepare and implement this database. Also, no appropriation authority is provided in the bill, so it is unlikely DOJ would have additional appropriations to draw from when developing this new program in time for the July 1, 2010 date. The latest version includes language to make a fund available, but does not actually provide an appropriation that DOJ could use in 2009-10.

(Continued)

Analyst/Principal Date Program Budget Manager Date
(0211) J. Osborn Todd Jerue

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

AUTHOR**AMENDMENT DATE****BILL NUMBER**

K. De Leon

June 22, 2009

AB 962

Currently, DOJ maintains a database related to firearms transactions, which is supported by fees.

The bill would create a new handgun ammunition tracking database and registration program for handgun ammunition vendors. The bill would allow for a fee of up to \$50 to reimburse DOJ for its costs of administering the license program, maintaining the registry of handgun ammunition vendors and other regulatory functions, including enforcement.

Code/Department Agency or Revenue Type	SO		(Fiscal Impact by Fiscal Year)							Fund Code
	LA		(Dollars in Thousands)							
	CO	PROP								
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012		
1316/Fngrprnt ID	RV	No		--	U	\$918	U	\$230	0017	
1425/Misc Srv Pub	RV	No		--	U	\$571	U	\$571	0460	
0820/Justice	SO	No	C	\$306	C	\$1,351	C	\$616	0460	
<u>Fund Code</u>	<u>Title</u>									
0017	Fingerprint Fees Account									
0460	Dealers' Record of Sale Special Account									