

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1160

2001 HOUSE APPROPRIATIONS

HB 1160

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1160

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
01-16-01 tape #1	-	0 - 1321	
01-16-01 tape #1	-	2540 - 4290	
Committee Clerk Signature <i>Robin Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on HB 1160. All present except Rep. Carlisle, who is appearing at another hearing, and will return shortly. The Title was read : A bill for an Act to amend and reenact subsection 3 of section 62.1-04-03 of the North Dakota Century Code, relating to the disposition of fees for concealed weapons licenses.

Bob Helten: Manager of Information Services in the Bureau of Criminal Investigation, a division within the Office of the Attorney General. He had prepared testimony. He appeared on behalf of the Bureau of Criminal Investigation in favor of HB 1160. The fee for a concealed weapons license is \$25.00 with \$10 credited to the state general fund, and \$15 going to the attorney general's operating fund. The fee is in part to allow those benefiting from the license to pay for the cost of administering the license. The administration costs have increased, along with the increase in licenses issued. It is estimated that in this current biennium the direct costs for licensing will be \$61,342, with revenues from licensing being \$102,500, with \$61,500 to be

credited to the special fund for operations. It is estimated for the next biennium that costs will be approximately \$75,208, revenues from licensing to be \$123,750, with \$74,250 going to the special fund. However, subsection 3 of section 62.1-04-03 of the NDCC restricts the amount of funds that can be used from the special funds for operations to \$50,000, each biennium. The differences then of \$11,342 this biennium, and \$25,208 in the next biennium, have to be found and made up from the Attorney General's total appropriation. In order to pay for the total costs of the concealed weapons permit program for this biennium, the office has had to reduce training assistance we provide to law enforcement agencies.

It is believed that by removing the \$50,000 restriction the actual expenditures can be paid from the special fund to track with revenues generated by the \$15 portion of the fee. As the number of licenses increase, so do the costs and revenues. If the costs and revenues do not track closely, and either a deficit or surplus occurs, this can be revisited. Support for the bill is urged.

(An addendum to Mr. Helten's testimony was later provided that gave the committee a history of new, renewal, and total licenses. It also listed the revenue and current licenses issued, for the years 1992 through 2000).

Chairman Byerly: Has the current Attorney General seen and approved this bill?

Response: Sandi Tabor, his assistant, has, and I assume that she has reviewed this with him.

Rep. Huetter: Define a concealed weapon for me. I thought I knew, but I am not so sure I do.

Response: A concealed weapons is not necessarily a firearm, there are other types of weapons that can be in that class, but most often a firearm, and most often a handgun. The concealed weapon permit allows you to carry that handgun concealed which could be in a

holster, in a vehicle glove compartment. Carried out in the open is permissible without a concealed weapons permit.

Rep. Skarphol: It appears that you are anticipating a rather substantial increase in the number of applications in the next biennium. Is there any reason for this.

Response: We have been having a constant increase since 1993, but even more so in 1994, 1995 because of the Brady Act, where a background check needs to be done before purchasing a weapon. This has caused a lot of persons to seek a concealed weapons permit, because with this permit, you have a background check done, but it is good for 3 years, so if you want to purchase a weapon during that period, you can do so without having the background check done again. This has increased the number of permits issued.

Rep. Skarphol: You seem to be suggesting a 16% increase, is that the case in the last cycle.

Response: I don't know if there is a 16% increase in the revenue, but that would track pretty close to the number of permits. Keep in mind that there are both new and renewal applications. As the number existing permits goes up, the number of renewals goes up. And when you look at the various years, sometimes new applications are up, sometimes renewals are more.

Rep. Koppelman: Are you proposing to raise the fee, or just to get rid of the restriction?

Response: We are proposing to remove the \$50,000 restriction, and not to raise the fee.

Rep. Glasshelm: How do we know the cost of doing this and whether or not there will be a surplus or not. Is there some clear way of tracking just the costs of this permit.

Response: I do not have these numbers for you. You could just set a fixed amount of costs of issuing a permit. We have been trying in our office to split some of the cost with other functions. This function has not been paying a portion of the office space, and we would like to

do so. We have increased the cost projections of \$5,000 to cover some of that office space.

There are a lot of other indirect costs, like use of copy machines, mail meter machines, covered all by the office right now.

Rep. Glassheim: Right now aren't the costs tracking at about the same rate as the \$15 put into the fund for expenses.

Response: Yes, actually they are right now, but that may not stay that way for long. We are just lucky right now.

Rep. Skarphol: Still puzzled as to the special fund award, and the office can only have \$50,000, right?

Response: The special fund moneys limited to \$50,000 can be used to pay costs of issuing the license. The limit was set at the 1995 session, it is thought. The costs have risen, but the limit is still there. It is anticipated now that the costs will be over \$60,000 and the difference has to be found elsewhere in the budget.

Rep. Skarphol: Where does the difference of what you earn on the \$15 fee, and the \$50,000 limit go?

Response: Into the general fund.

(Chairman Byerly explains to the committee where this money goes, into which fund).

Rep. Koppelman: Why propose eliminating the ceiling, why not request the limit to be raised to the costs?

Response: That is true, and they could set a figure, and if they did so, they would probably be back each session to adjust the figure again. If that is acceptable, that is fine. We made the current proposal because expenses were tracking revenues pretty consistently.

Chairman Byerly: I would assume that new applications take longer to process than renewals.

The renewals should not take as much time as the originals.

Response: That is correct, the fingerprints are done only the first time around, and there is not as much involvement with a renewal as there is with a new application.

Chairman Byerly: If you take the number of revenue coming in, and divide by \$25, it looks like the rate is going up. What percentage of those are renewals versus new applications.

I can give you a figure on that for the last few years:

	New	Renewal
Year 2000	462	1635
Year 1999	551	955
Year 1998	604	1083

Rep. Koppelman: Requested that the committee be given a written list of these numbers.

(An addendum to Mr. Helten's testimony was later provided that gave the committee a history of new, renewal, and total licenses. It also listed the revenue and current licenses issued, for the years 1992 through 2000).

The chairman closed the hearing on this bill.

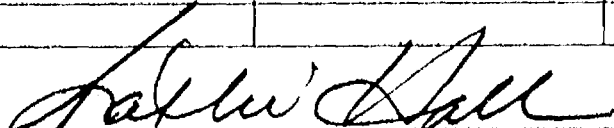
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1160

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
01-16-01 tape #1	-	2540-1290	
Committee Clerk Signature 			

Minutes:

The committee was called to order, and opened the committee work hearing on HB 1160.

Chairman Byerly: The only information that we have is what he read us for the last 3 years.

Rep. Koppelman: My thought is that I would prefer to raise the ceiling rather than an elimination of the ceiling. I have noted that we - the legislature- have been careful about what gets squirreled away in a special fund rather than put back into the general fund. I would not be opposed to raise the ceiling if the costs are actually higher. I would like to see this set at about \$60,000 or \$65,000.

Rep. Glassheim: I thought that originally, too, which is why I questioned him on that.

Chairman Byerly: offers some other options to explore - one option may be to offer less of the fee, but have no cap

Rep. Glassheim: Comments that there is some accounting issues as to how direct and indirect costs are allocated. He runs a small agency, and you can move these things around.

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Government Operations Division
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Chairman Byerly: States that he is happy that they did not seek to raise the fees. Notes that the fees are the same for new and renewal applications. The new ones take more time than the renewals. The renewals are much simpler to process.

(general committee discussion as to various options that could be addressed).

Chairman Byerly: States that he is uncomfortable with removing the limitation.

Rep. Koppelman: Moves to keep the current statute but to amend the limitation to \$65,000.

Rep. Carlisle: Second.

(more general discussion as to what this would do by the committee)

Rep. Glassheim: Moved to substitute the limitation of the amendment to \$75,000.

Motion failed due to no second.

(more general discussion as to what the amendment limitation would do)

On a voice vote of the first motion to amend, the motion passed, 6 yes, 1 no.

Rep. Skarphol: Moved DO PASS AS AMENDED.

Rep. Thoreson: Second.

A vote was taken on the motion, the motion passed 7 yes, 0 no.

Rep. Skarphol is assigned to carry this bill to the full committee.

The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1160

House Appropriations Committee

Conference Committee

Hearing Date January 26, 2001

Tape Number	Side A	Side B	Meter #
HB1160	X		1204 - 1640
Committee Clerk Signature			

Minutes:

ACTION ON HB1160.

Rep. Bob Skarphol: What HB1160 seeks to do is to help the attorney general's office and redistribute the fee for concealed weapons in order to more adequately pay the cost to his office for administering this. In the past there has been a \$25 fee, and were not changing the amount of the fee, just the distribution of that fee. In the past \$10 went to the general fund and \$15 dollars went to the attorney general's office up to a cap of \$50,000 to cover the cost processing these concealed weapons license and what the attorney general's office asked for was the removal of the cap and with the numbers they indicate of the licenses that they process they were beginning to lose money on this at \$15 dollars. And rather than fully remove the cap, what our committee did was amend the bill to raise the cap to \$65,000 verses \$50,000, the excess funds above the \$65,000 will go to the general fund and the consensus of our committee was is that we are going to pay for it with general funds one way or another, but we wanted to be able to monitor the

situation a little bit, so we did this for two more years and two years from now if we see that they need additional revenue we can raise the cap. The numbers of permits or licenses that they issue has significantly increased over the years and the total numbers since 92 is 746, 93 was 707, and 94 was 2002, 95 was 1566, and a license is good for three years and about a 3 to 1 ratio of renewals to new applicants and we kind of felt that the renewals should cost less than new applicants, and we tried to want to keep some pressure on them to do this as efficiently as possible and therefore we recommended that we amend it to \$65,000 for the next biennium.

Rep. Mike Timm: Any questions of Rep Skarphol?

Rep. James Kerzman: Is there any in there for the counties, when you go to the sheriff to register your weapon, do they get anything out of that?

Rep. Bob Skarphol: No I don't believe so.

Rep. David Monson: If I'm not mistaken I think they do cover their costs. They charge the person when you go in to get your fingerprints they have their own little fee that they have to do. I don't think it comes out of here but the counties can do whatever they want I believe.

Rep. Rex Byerly: As a holder of a concealed weapons permit, yes. They charge you for the fingerprints and you have to take a test and they charge you for administering the test both the written and the shooting test and you pay for your fingerprints. So there is no hit on any county or anything like that. The fee that goes to the state is BCI keeps track of those concealed weapons permits, that's where it's all on file.

Rep. Mike Timm: Any other questions? Rep Skarphol do you wish to move the amendments?

Rep. Skarphol: Yes, I would move the amendment number 18217.0101. Seconded by Carlisle.

Any Discussion? All those in favor of adopting that amendment say AYE. Unanimous Aye.

Motion carried.

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Rep. Bob Skarphol: I would move HB1160 as amended. Seconded by Byerly. Any discussion?

If not, clerk will call the roll. YES - (20) NO - (0) ABSENT (1)

Motion passes. Rep Skarphol will carry the bill to the House Floor.

END OF ACTION ON HB1160.

