

# FISCAL NOTE

**Bill #:** SB0018

**Title:** Driver's license application firearms purchase check

**Primary Sponsor:** Jerry O'Neil

**Status:** As Introduced

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Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$1,480,986	\$829,631
<b>Revenue:</b>		
General Fund	\$22,500	\$22,500
<b>Net Impact on General Fund Balance:</b>	<b>(\$1,458,486)</b>	<b>(\$807,131)</b>

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<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

1. The Motor Vehicle Division, Department of Justice would perform background checks as required by SB 18.
2. The Alcohol Tobacco and Firearms would approve the driver license/firearm purchase permit as a valid permit and driver-licensing personnel would be approved by the FBI to electronically submit National Instant Criminal Background Check System (NICS) inquiries.

3. Unless the individual requests otherwise, each of the 150,000 driver licenses and identification cards issued annually would require a new background check prior to issuance, in order to assure that the most current information is used in the compliance process.
4. Driver licensing personnel would submit a NICS inquiry electronically and would receive either 1) a NICS transaction number or 2) a no NICS transaction number because the NICS system was down or the NICS response returned a “denial” or a “delayed” response. It would require an additional 1.00 FTE in each of 20 permanent driver-licensing offices to process the NICS checks for each driver’s license and identification card. These FTE would also travel to the outlying driver licensing offices to perform the firearms checks when those offices are open. 20.00 FTE (grade 8 – cost of \$ 439,300 a year; 20.00 x 21,965) is needed. Ongoing operating costs of \$8,374 per FTE are needed for data network charges, supplies, telephone, postage, travel, training, and rent. (Average costs are \$2,197 per FTE plus travel of \$6,177/FTE.) This results in \$167,480 (\$8,374 x 20 FTE) a year in ongoing operating costs. Twenty new employee packages for desk, office furniture, and personal computers are \$70,000 in FY 2002 only (3,500 x 20 FTE).
5. Of the 150,000 driver licenses and identification cards issued annually, 85% or 127,500 would receive a “no disqualifying record response” from NICS with the NICS transaction number and 15% or 22,500 would result in a delay or denial that would need to be reconciled by DOJ personnel. Each denial or delay would take about 25 minutes to resolve including posting the results in the driver licensing system. It would require 4.50 FTE to reconcile the 22,500 delayed or denied NICS responses (22,500 negative responses x 25 minutes per response / 60 minutes = 9,375 hours / 2,080 = 4.51 FTE) 4.50 FTE (grade 8 – cost of \$98,843 a year; 4.50 x \$21,965) are needed. Ongoing operating costs of \$2,197 per FTE are needed for data network charges, supplies, telephone, postage, training, and rent. This results in \$10,985 (\$2,197 x 5 people = \$10,985) a year. Five new employee packages (\$3,500/FTE) for desk, office furniture, and personal computers and installation of new phones and network connections (\$500/FTE) are \$20,000 in FY 2002 only.
6. Approximately 12,000 individuals are convicted each year of felonies or spousal/family abuse violations and would be determined ineligible for the firearms certification, which would result in the revocation of their driver’s license. 1.00 FTE can process 4,300 revocations a year; therefore, 2.80 FTE would be required to receive and process the driver license revocations (12,000 revocations divided by 4,300/year = 2.79 FTE) at a cost of \$61,502 (\$21,965 x 2.8 FTE). Ongoing operating costs of \$6,591 are needed for the data network charges, supplies, telephone, postage, training, and rent for this FTE (\$2,197 x 3 people). \$12,000 for new employee package for desk, office furniture, and personal computer (\$3,500 x 3 FTE) and installation of new phones and network connections (\$500/FTE) would be needed for FY 2002 only.
7. Programming costs to redesign the driver licenses and identification cards, revise database to track the firearms certification information, create an interface with NCIC, create edits for status changes, enter new conviction codes and programs for a new revocation process are estimated at \$516,000 (6,880 hours x @ \$75/hour = \$516,000 (FY02 only). It will be necessary to contract for programming with an outside vendor since DOJ programming staff are committed to completing the current backlog of more than 15,000 hours of programming to comply with existing mandates. Computer costs to complete the programming are estimated at \$14,355 in FY02 only (87 days @ \$165/day = \$14,355). 1.00 FTE would be required to maintain the new network interfacing with the NCIC system at a cost of \$40,845 a year. Ongoing operating costs of \$4,085 are needed for the data network charges, supplies, telephone, postage, training, and rent for this FTE. One new employee package (3,500/FTE) for desk, office furniture, and personal computer and installation of new phones and network connections (\$500/FTE) at a cost of \$4,000 would be needed for FY 2002 only.

8. Costs to the department for programming by the private contractor producing the driver's licenses and identification cards is estimated to be \$15,000 in FY 2002 only.
9. It is unknown how many individuals whose driver's license would pay the \$5 fee to receive a new driver's license without the firearms certification. If 100% of the projected 4,500 revocations did request a replacement driver's license \$22,500 (4,500 x \$5 = \$22,500) would be generated for the general fund.
10. The department is unable to determine the number of individuals who would request a duplicate driver's license bearing the firearms re-certification extended to expire with the original expiration date of the driver's license.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE	28.30	28.30
<u>Expenditures:</u>		
Personal Services	\$640,490	\$640,490
Operating Expenses	<u>\$840,496</u>	<u>\$189,141</u>
TOTAL	\$1,480,986	\$829,631
<u>Funding:</u>		
General Fund (01)	\$1,480,986	\$829,631
<u>Revenues:</u>		
General Fund (01)	\$22,500	\$22,500
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$1,458,486)	(\$807,131)

TECHNICAL NOTES:

1. The solution above is dependent on the FBI allowing use of NCIC by a driver licensing system.
2. Under Title 61, Chapter 5, MCA, an individual whose driver's license has been revoked must make a new application for a driver's license which includes the payment of the appropriate fees and completion of the testing procedures; a cancellation or suspension of the driver's license appears to be more aligned with the intent of SB 18.
3. Revoking an individual's driver's license and issuing a replacement license upon a change in an individual's certification status is problematic and may create substantial problems for the individual with their insurance carrier.
4. Driver's licenses for individuals between the ages of 21 and 67 are issued for an eight-year period. Identification cards are issued for a four-year period. A situation that would void the mark recorded in the NICS compliance box on the driver's license or identification card could occur any time following the issuance of the driver's license or identification card. Therefore the validity of the marked NICS compliance box would be questionable.

5. 80% of individuals whose driver's licenses are cancelled, suspended, or revoked do not return their license to the department as requested. Therefore, individuals could retain in their possession a driver's license or identification card indicating a valid firearms certification when in fact the individual is no longer eligible to purchase a firearm.
6. Currently, the driver licensing system does a check against the National Commercial Driver Licensing Information System, the Problem Driver Pointer System, and Social Security Administration (SSN) on every driver. Adding the firearms criminal background check would increase response time and result in longer customer waiting periods.
7. SB 18, if passed, cannot be implemented by the effective date of July 1, 2001, due to the number of hours required for programming (6,880 hours).
8. Information Technology (IT) salaries for fiscal notes do not reflect actual costs to hire an IT professional. Estimates indicate it would cost approximately 60% more to hire an IT professional.