



Department of Audits and Accounts

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March 18, 2010

Honorable Mitch Seabaugh
State Senator
State Capitol, Room 421
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill 308 (LC 29 4168S)

Dear Senator Seabaugh:

This bill would transfer the duties of processing applications and issuing weapons carry licenses from the probate courts to the Office of Secretary of State (SOS), effective January 1, 2012. The bill also clarifies provisions regarding the carrying and possession of weapons as well as stipulates various licensing exceptions regarding handguns and long guns.

The bill's fiscal impact to the SOS would be a net cost of approximately \$885,000 annually, which consists of annual costs to the SOS less the dollar amount of application fees collected. There would also be a one-time cost to the SOS for a new database system with the capability of handling issuance, registration, and payments. Although the SOS was unable to readily provide an accurate cost for the database, they estimated this cost may total around \$500,000.

The estimated annual cost to the SOS totals about \$2.31 million, which is comprised of additional personnel, operating expenses, and the cost of hearings for revoked licenses. Of this total, \$1.34 million would be for the following 25 additional personnel (including salaries and benefits):

- 20 licensing staff to handle processing of new and renewal applications as well as to update changes in eligibility of licensees;
- 3 analysts to process fingerprint and background check information; and
- 2 customer service specialists.

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The remaining \$970,000 in annual costs would include: about \$800,000 for the SOS to use its current vendor for printing secure weapons permit cards and about \$170,000 for operating expenses, such as supplies, telecommunications, and court hearings regarding revoked licenses.

The fees collected for new applications and renewals would offset the estimated \$2.31 million annual cost by about \$1.4 million. This fee revenue estimate was calculated by using current licensing information, which shows that there are about 400,000 licensees. As a license is valid for five years, an estimated 80,000 licenses would be renewed each year, plus 15,000 new applications are expected each year. At a fee of \$15 per license application or renewal, the resulting revenue estimate totals \$1,425,000.

As a result of this function transitioning to the SOS, probate courts would likely experience some savings. These savings would not be state funds, however, as, according to the Administrative Office of the Courts (AOC), probate courts are funded by county governments. Although the probate courts collect and retain license fees, the AOC indicated that these fees do not cover the full cost for performing the function. Consequently, some savings may be expected at the county level if this function transferred to the SOS.

Respectfully,

/s/ Russell W. Hinton
State Auditor

/s/ Trey Childress, Director
Office of Planning and Budget

RWH/TC/jr/bb