

BILL SUMMARY
1st Session of the 55th Legislature

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|------------------------|--------------------------------------------|
| Bill No.: | HB1936 |
| Version: | CS |
| Request Number: | 6945 |
| Author: | Rep. Calvey |
| Date: | 2/23/2015 |
| Impact: | First Year Savings: \$1,671,317.00 |
| | First Year Costs: \$252,000.00 |
| | Second Year Savings: \$1,123,317.00 |

Research Analysis

Please see previous summary of this measure.

Prepared By: Marcia Goff

Fiscal Analysis

Currently, approximately \$30.00 of the \$100.00 paid for an SDA license helps fund 20 FTE. If those 20 FTE were RIF'd today, the savings to the OSBI, and by extension the State of Oklahoma, could be about \$800,000.00*. (This number is working from the assumption that the 20 FTE are being paid \$40,000.00 p/year. It is very likely that the 20 FTE are paid anywhere from \$25,000.00 to \$65,000.00 p/year. This calculation also excludes benefits.)

Based on the provision to drop current fees to \$25.00, the approximate revenue to the OSBI (on fees for SDA licensing alone) could be \$1,123,317.00**. Assuming there is a \$2.00 charge per check, savings could hover around \$1,033,451.00.

According to officials with the OSBI:

Per OMES ISD the cost to upgrade systems necessary to conduct electronic NIC checks on SDA handgun license applicants will be \$252,000. We would request additional GR appropriations for this added expense due to the significant reduction in license fee revenue.

*Based off information provided by the OSBI (See Below.)

**These numbers are based on a conversation with a NICS agent, in which it was related that some NICS background checks cost \$0.00.

Prepared By: Joshua Maxey

Other Considerations

Provided by officials with the OSBI:

When the Self Defense Act was first passed, the OSBI was given an increase of 20 FTE that was to be funded through SDA application processing fee revenue. The OSBI will still be required to process SDA applications within the timeframes established by law while experiencing a net SDA fee revenue reduction of about 71.5%.

