

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	SB56
Version:	FA1
Request Number:	
Author:	Rep. Vaughan
Date:	4/15/2015
Impact:	Revenue Loss to OSBI: \$496,055 per year
	\$252,000 cost to OSBI to upgrade to the NICS
	Loss of \$25.00 fee to Sheriffs' Service Fee Account

Research Analysis

Please see previous summary of this measure.

Prepared By: Marcia Goff

Fiscal Analysis

FA1 would drop the renewal fee for an SDA license from \$85.00 to \$40.00 for residents of Oklahoma beginning on August 1, 2016. For fiscal years 12-14, the OSBI averaged \$571,172 in revenue from the 5 year renewals.* Should the amendment take effect, the estimated loss of revenue over the following three fiscal years would be \$302,382 (or an estimated \$100,795 per fiscal year).

FA1 would also drop the application fee for an SDA license from \$100.00 to \$40.00 for residents of Oklahoma beginning on August 1, 2016. For fiscal years 12-14, the OSBI averaged \$1,976,300 in revenue from the 5 year initial licenses.* Should the amendment take effect, the estimated loss of revenue over the following three fiscal years would be \$1,185,780 (or an estimated \$395,260 per fiscal year).

Currently, a person seeking either an SDA license or a renewal can opt for a five or ten year license. FA1 would limit the life of the license to five years in both cases.

FA1 prescribes that the OSBI no longer use AFIS and instead use the NICS for background checks. Because of this change, the Sheriffs' Service Fee Account would no longer receive \$25.00 for the fingerprint checks that they presently perform.

FA1 would also change the way the OSBI performs background checks. Right now, the OSBI uses a complex system that runs a menagerie of background checks and would replace that system (the AFIS, coupled with other background checks) with the NICS.**

It is prudent to note that once the NICS system is in place the OSBI would have some net savings. This is on account that the revenue received on background checks, along with license fees, currently contributes to the payroll of approximately 20 FTE. These FTE would be reduced in some fashion. The cost for background checks would also decrease. These two factors would result in eventual savings.

Prepared By: Joshua Maxey

Other Considerations

*These figures only represent 5 year licenses and renewals. Figures for 10 year licenses and renewals have been excluded on account of the changes proposed in FA1.

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

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