

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 941 – A REVISED**

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Requires private person to complete transfer of firearm by appearing with transferee before gun dealer to request criminal background check.

**Government Unit(s) Affected:**

Cities, Counties, Department of Corrections, Department of Justice, District Attorneys and their Deputies, Judicial Department, Oregon Criminal Justice Commission, Oregon State Police (OSP), Public Defense Services Commission

**Summary of Expenditure Impact:**

<b>Agency – Fund Type</b>	<b>2015-2017 Biennium</b>	<b>2017-2019 Biennium</b>
Department of Corrections – General Fund		
Prison Cost	\$20,166	\$50,667
Special Payments	\$21,882	\$83,174
<b>Total Cost</b>	<b>\$42,048</b>	<b>\$133,841</b>

*This measure is anticipated to have a minimal fiscal impact to state agencies and does not require a referral to the Joint Ways and Means Committee. While this measure does not require an appropriation at this time, the cumulative effect of measures with a prison population impact may require further analysis and adjustment to state agency appropriations. The Legislative Fiscal Office provides in the table above and the narrative below the potential costs to state agencies in order to provide more context for the measure’s fiscal impact.*

**Summary of Revenue Impact:** See Analysis

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The measure requires that persons attempting to transfer a firearm to another person must appear in person before a gun dealer to perform a criminal background check on the transferee by the Oregon State Police (OSP). The measure provides certain exemptions to this requirement depending on the distance between the two parties, or between whom the transfer is to occur. The measure creates a new crime for failing to comply with the requirements of the background check and establishes the crime as a Class A misdemeanor, with subsequent offenses being classified as a Class B felony. The measure allows OSP to notify local law enforcement whenever it is determined that a potential transferee is prohibited by law from possessing a firearm.

Currently, OSP Firearms Instant Check System (FICS) unit conducts criminal background checks for the transfer of firearms. The FICS unit is funded entirely by Other Funds received from fees for service. The established fee for a standard FICS background check is \$10 per background check.

The numbers of private party firearm transfers and background checks that will occur as a result of this measure are unknown. Based on data received from Colorado and Connecticut for similar private party transfer requirements, OSP anticipates an additional 20,000 private party background checks are likely to occur per year. OSP notes that the firearm background check workload has decreased in the 2013-15 biennium compared to the 2011-13 biennium, and that current staffing levels are expected to be able to address this anticipated 20,000 per year increase in workload. However, if the number of background checks increase beyond the capacity of current staffing levels, OSP will need to return to the legislature for additional resources. OSP notes that the cost for an additional permanent full time staff position (1.00 FTE) within the FICS unit is \$118,186 for a biennium.

OSP notes that based on an estimate of 20,000 transactions per year, this could generate as much as \$400,000 Other Funds revenue per biennium.

The Criminal Justice Commission (CJC) estimates that this measure may result in additional 5-10 felony convictions per year. Using the 2013 conviction rates for the crime of a felon with a weapon, CJC estimates about 30% would result in a prison sentence within a Department of Corrections facility, 16% would be sentenced under local control, and the remainder or 54% would receive a probation sentence with an average length of 18 months.

The Department of Corrections (DOC) assumes a three month lag between the measures effective date and the date first offenders may be received. Included in the cost estimates in the table above are funds that would be distributed to the community corrections departments of counties for the costs of probation, post-prison supervision, and local control. The estimated length of stay is assumed to be approximately 11 months in a DOC facility at a marginal cost per day of \$23.41. The estimated length of stay in local control is approximately 2 months, with an estimated 18 months of probation. The cost per day estimate for local control and probation is \$10.72 per offender.

DOC assumes any incarcerated inmates will be distributed into existing housing facilities and there would be no additional costs for staffing or construction. Based on the Corrections Population Forecast projections from the Office of Economic Analysis, DOC estimates are based on utilizing 76 available emergency beds at the marginal cost per day, beginning July 1, 2015. If emergency bed capacity is exceeded by the cumulative effects of measures passed during the session, DOC may need to establish permanent beds at a cost per day of \$95.42.

HB 3194 (2013) requires a 10-year estimate of the fiscal impact for measures with an effect on crimes and sentencing. Using the conviction rate assumptions listed above, DOC anticipates the costs for the 2019-21 biennium to be \$161,369 General Fund, \$166,459 General Fund in 2021-23, and \$168,228 General Fund in 2023-25.

This measure is anticipated to result in additional misdemeanor and felony cases in circuit court; however the fiscal impact of those cases is anticipated to have a minimal impact to the Judicial Department, Public Defense Services Commission, District Attorney's and their Deputies, and the Department of Justice.

The Legislative Fiscal Office (LFO) notes that these cost estimates could vary depending on the actual number of background checks conducted, criminal cases, convictions and length of sentences issued. LFO requested fiscal impact statements from the Association of Oregon Counties and the League of Oregon Cities, but has yet to receive a response. If a response is received, LFO will issue a revised fiscal impact statement.