

ADMINISTRATIVE RULES FISCAL ESTIMATE AND ECONOMIC IMPACT ANALYSIS

Type of Estimate and Analysis

Original Updated Corrected

Administrative Rule Chapter, Title and Number

Wis. Admin. Code chapters JUS 17 and JUS 18

Subject

Establishing standards and procedures for the issuance and administration of licenses authorizing persons to carry concealed weapons and concealed carry certification cards to qualified former federal law enforcement officers; the review of license/certification card decisions by the department; the certification of firearms safety and training instructors; and the recognition by Wisconsin of concealed carry licenses issued by other states.

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Chapter 20, Stats. Appropriations Affected

20.455 (2) (gs) and 20.455 (2) (gu)

Fiscal Effect of Implementing the Rule

No Fiscal Effect

Indeterminate

Increase Existing Revenues

Decrease Existing Revenues

Increase Costs

Could Absorb Within Agency's Budget

Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

Policy Problem Addressed by the Rule

Implementation of 2011 WI Act 35.

Act 35 created a procedure by which a person may apply to the Department of Justice (DOJ) for a license to carry a concealed weapon. Under s. 175.60, Wis. Stats., DOJ shall issue a license to an applicant who meets all of the statutory requirements. Under s. 175.49, Wis. Stats., DOJ may issue a certification card to qualified former federal law enforcement officers who reside in Wisconsin. The statutes require DOJ to:

- Develop and manage a concealed carry license application and renewal process.
- Conduct background checks on applicants.
- Produce tamper-proof licenses.
- Issue a concealed carry license to qualified applicants.
- Maintain, update, and publish a list of other states that conduct similar background checks relating to concealed carry licenses.
- Maintain a database file of Wisconsin licensees that is accessible to law enforcement.
- Maintain and monitor an interface with state courts of all proceedings that may result in the suspension, revocation, or restoration of a concealed carry license.
- Establish and manage renewal, suspension, revocation, replacement and, appeal processes.
- Produce annual statistical reports relating to licenses issued, denied, suspended and revoked.

The Department has approved 80,443 concealed carry licenses as of February 29, 2012 and is receiving approximately 3,000 applications per week. Sufficient revenue is being generated to support the program. To fulfill its many new responsibilities, DOJ required additional resources in FY 2012 to support the implementation of Act 35. These resources, both personnel and equipment, were funded with the PR and spending authority increase granted through 16.515 requests approved by the Joint Committee on

Finance (JCF). The remaining funding and position authority needed to support the program through FY 2013 will be requested as needed.

Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Fiscal and Economic costs associated with implementing the program are not driven by the Administrative Rule. Rather, administrative costs are driven by the statutory requirements established in Act 35. DOJ does not believe the rule imposes additional costs beyond those necessary to fulfill the requirements of Act 35.

Prior to the enactment of 2011 Wis. Act 35, Wisconsin statutes and administrative rules contained no provisions for issuance of licenses/ certification cards to carry concealed weapons to qualified applicants. The proposed rules are the first to address these subjects.

Act 35 requires DOJ to issue licenses authorizing eligible Wisconsin residents to carry concealed weapons in Wisconsin and to certify firearms safety and training instructors. Wisconsin has not issued licenses/certification cards previously, so there is the potential for wide variability in the number of licenses/certification cards issued. Based on other States' experience and additional factors including the percentage of Wisconsin's population with hunting licenses and current handgun sales, the Department estimates, at a minimum, that 150,000 licenses/certification cards will be issued over a two year period. The Department's best estimate is that it will issue at least 100,000 permits in the first year, approximately 50,000 in the second year, and may issue more than 200,000 over the 5 year period. While these figures represent the Department's best estimate, each states experience with citizen participation in concealed carry is unique and the actual number of licenses issues cannot be stated with certainty without the supporting data that will be developed in the first two years. Revenues will be directly correlated with the number of completed applications submitted and approved.

The rule establishes a statutorily allowed license fee of \$37, as determined by the department, to cover the cost of issuing the license on a five year renewal cycle and a \$12 renewal fee for the subsequent five years. Act 35 mandates a \$13 fee for the required background check. The annual fee for a certification card for former federal law enforcement officers is \$12 for the license and \$13 for the background check. The revenue generated by this rule will be dependent on the number of licenses/ certification cards issued. It is estimated that these emergency rules will generate approximately \$5,000,000 in revenue in FY2012 and \$2,500.000 in FY2013.

The rule will not have an economic effect on public utilities or their taxpayers.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The proposed emergency rules are predicated on legal analysis by DOJ staff of the language and requirements of Act 35. Based on that analysis, DOJ has determined that the proposed emergency rules are necessary for DOJ to continue to carry out its responsibilities and the legislative directives set forth in Act 35. DOJ is currently involved in the permanent rule-making process.

Long Range Implications of Implementing the Rule

The proposed rules do not impose any financial or compliance burdens that will have a significant effect on small businesses or a significant economic impact.

Compare With Approaches Being Used by Federal Government

No comparable information available

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

See "Analysis by the Department of Justice" in the Department's order adopting the emergency rules, DOJ-2011-03.

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