

HF14 - 0 - Firearm Transfers; Permitting Modified

Chief Author: **Dave Pinto**
 Committee: **Public Safety Finance & Policy**
 Date Completed: **1/26/2023 7:07:21 AM**
 Lead Agency: **Public Safety Dept**
 Other Agencies:
 Corrections Dept Sentencing Guidelines Comm
 Supreme Court

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Public Safety Dept						
General Fund		-	70	-	-	-
State Total						
General Fund		-	70	-	-	-
		Total	70			
		Biennial Total		70		

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Public Safety Dept					
General Fund	-	-	-	-	-
	Total	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Public Safety Dept						
General Fund		-	70	-	-	-
Total		-	70	-	-	-
Biennial Total				70		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Public Safety Dept						
General Fund		-	70	-	-	-
Total		-	70	-	-	-
Biennial Total				70		-
2 - Revenues, Transfers In*						
Public Safety Dept						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

HF14 - 0 - Firearm Transfers; Permitting Modified

Chief Author: **Dave Pinto**
 Committee: **Public Safety Finance & Policy**
 Date Completed: **1/26/2023 7:07:21 AM**
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	70	-	-	-	-
Total	-	70	-	-	-	-
Biennial Total			70			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 1/24/2023 3:24:39 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	70	-	-	-	-
Total	-	70	-	-	-	-
			70			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	70	-	-	-	-
Total	-	70	-	-	-	-
			70			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
			-			-

Bill Description

This bill modifies language to require transferee permits for individuals wishing to transfer firearms, with certain exclusions, therefore requiring additional background checks for firearms transfers.

Assumptions

The now requisite background checks will continue to take place at either a local police department or sheriff’s office, as they currently do for all firearms permits. These background checks will continue to consist of queries against the National Crime Information Center (NCIC), the Interstate Identification Index (III), the National Instant Criminal Background Check Indices (NICS), the Minnesota Criminal History System, the Minnesota Dept. of Human Services, the Dept. of Public Safety’s Driver and Vehicle Services Division, the Minnesota Judicial Branch and the International Justice and Public Safety Network (Nlets) so that a single background check will result in multiple queries.

In order to complete these checks, chiefs and sheriffs will continue to use the infrastructure and databases available via the Bureau of Criminal Apprehension (BCA) under 299C.46 to retrieve data needed for the background checks.

Annually, there are approximately 400,000 checks for permits processed by these entities. It is not possible to estimate how much this number of checks will increase by due to the addition of private party transfers, given there are no statistics on the number of firearms transferred between private parties per year in the state of Minnesota.

The segment of BCA IT infrastructure that processes the firearms background check queries may not be able to handle the potential increase in transactions required by the bill; therefore, BCA will need to plan for additional capacity within the infrastructure to do so. A new server and software licenses will be needed for this purpose. These infrastructure changes will take approximately 12 months to complete and will necessitate ongoing support, hardware and software costs.

Any costs to the Driver and Vehicle Services in the Dept. of Public Safety, the Minnesota Dept. of Human Services and the Minnesota Judicial Branch due to the increase in the number of queries against their respective databases is not included in this information and cannot be estimated by the BCA

Any technical changes BCA needs to make based on changes made by Driver and Vehicle Services, the Minnesota Dept. of Human Services or the Minnesota Judicial Branch to process the increase in the queries is not included as those changes are still to be determined.

It is assumed that BCA can implement all elements within 12 months from passage.

Expenditure and/or Revenue Formula

The cost of an additional server and applicable hardware is approximately \$60,000 in FY24.

There will likely be a maximum of \$10,000 in additional funding needed for implementation costs for the server and hardware in FY24.

Long-Term Fiscal Considerations

Given the BCA has no way to estimate the number of private party transfers that will take place, there is no way to guarantee the funding estimates noted above will be accurate.

Local Fiscal Impact

All of the above processes and modifications will impact the workloads of local police departments and sheriffs' offices, which cannot be estimated by the BCA.

References/Sources

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HF14 - 0 - Firearm Transfers; Permitting Modified

Chief Author: **Dave Pinto**
 Committee: **Public Safety Finance & Policy**
 Date Completed: **1/26/2023 7:07:21 AM**
 Agency: **Corrections Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karen McKey **Date:** 1/25/2023 10:47:11 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

HF 14 requires criminal background checks for firearms transfers and modifies grounds for disqualifying a transferee permit.

Under section 624.7131, subdivision 7, paragraph (b), if a permit holder does not have a transferee permit when the court imposes a firearm prohibition, the permit holder must surrender the permit to the assigned probation officer, if applicable.

When a probation officer is assigned upon disposition of the case, the court must inform the probation agent of the permit holder’s obligation to surrender the permit. Upon surrender, the probation officer must send the permit to the issuing law enforcement agency.

Assumptions

The department assumes that the bill will have a nominal impact on the workload of department probation officers, and the department estimates no IT impact.

The Minnesota Sentencing Guidelines Commission (MSGC) assumed the following:

1. The number of people convicted and sentenced for the felony offense of making a false statement in connection with a transferee permit will be similar to the number of people now convicted and sentenced for the similar existing gross misdemeanor offense; the commission assumes fewer than one new felony sentence per year.
2. The new felony offense will not be assigned a severity-level ranking. But to determine the imprisonment rate and average prison sentence, it is assumed that the new felony will be ranked and sentenced similarly to perjury under section 609.48 subdivision 4, clause (2). From 2010 to 2021, there were 57 cases of perjury sentenced with an average imprisonment rate of 10.5% and an average pronounced duration of 20 months. An average of 66.7% of those who were probationers received local confinement as a condition of probation. The average pronounced confinement time was 71 days.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

According to the MSGC, it is estimated that there will be a need for an additional prison bed every 12 years. The impact is de minimis.

Local Fiscal Impact

There is expected to be a minimal cost to local units of government due to supervision needs.

References/Sources

Department of Corrections Staff

Minnesota Sentencing Guidelines Commission

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Fiscal Note

2023-2024 Legislative Session

HF14 - 0 - Firearm Transfers; Permitting Modified

Chief Author: **Dave Pinto**
 Committee: **Public Safety Finance & Policy**
 Date Completed: **1/26/2023 7:07:21 AM**
 Agency: **Sentencing Guidelines Comm**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

Section 1 amends Minn. Stat. § 624.7131, pertaining to firearms transferee permits. The bill disqualifies from such permits those whom sheriffs or police chiefs determine to be dangerous to themselves or others, and those who have been denied transferee permits within the previous six months. The bill changes the elements of failing to return a void permit to the issuing authority and increases the crime’s severity from a misdemeanor to a gross misdemeanor. The bill requires judges and probation officers to seize void permits. The bill increases the severity of the crime of making a false statement in connection with a transferee permit from a gross misdemeanor to a felony.

Section 2 amends Minn. Stat. § 624.7132, requiring reports of transfers of pistols or semiautomatic military-style assault weapons by federally licensed firearms dealers to private parties. Under current law, transfers to those with transferee permits are now excluded from the reporting requirement, but the bill extends the reporting requirement to such transfers. The bill requires denial of the transfer application for those whom sheriffs or police chiefs determine to be dangerous to themselves or others.

Section 3 creates Minn. Stat. § 624.7133, pertaining to reports of transfers of pistols or semiautomatic military-style assault weapons between nonfamily private parties. A firearms transferee permit (from Minn. Stat. § 624.7131) is a prerequisite to such a transfer. Both parties must retain a record of the transfer for twenty years, and must produce it upon request of law enforcement conducting a criminal investigation. Failure to produce it upon such request is a gross misdemeanor.

The bill is effective August 1, 2023, and applies to crimes committed on or after that date.

Assumptions

It is assumed that due to the COVID-19 health pandemic, the cases sentenced in 2020 and 2021 are not necessarily fair approximations of cases sentenced in the future.

Because no statutory maximum is specified for the felony offense, it is assumed that the statutory maximums in Minn. Stat. § 609.03 (punishment when not otherwise fixed) will be applied: a five-year statutory maximum for a felony.

It is assumed that the number of people convicted and sentenced for the felony offense of making a false statement in connection with a transferee permit will be similar to the number of people now convicted and sentenced for the similar gross misdemeanor offense that currently exists. According to Minn. Judicial Branch data, in 12 years, from 2010 to 2022, there were ten convictions for making a false statement in connection with a transferee permit under Minn. Stat. section 624.7131, subd. 11, although most were sentenced at the misdemeanor or petty misdemeanor level. It is therefore assumed that the bill will result in fewer than one new felony sentence per year.

One of the responsibilities of the Commission is to assign severity-level (SL) rankings to new felony offenses passed by the Legislature. The Commission bases its decisions, in part, on the level of harm caused and the culpability of the person. Statutory mandatory minimums and statutory maximums are also considered.

It is assumed the Commission may leave this new offense unranked. According to Guidelines Comment 2.A.04, “[A]n unranked offense typically has one or more of the following characteristics: (1) the offense is rarely prosecuted; (2) the offense covers a wide range of underlying conduct; or (3) the offense is new and the severity of a typical offense cannot yet be determined.”

While the Commission may intentionally leave the offense unranked, for purposes of determining the imprisonment rate and average prison sentence, it is assumed that the new felony will be ranked at SL 4 and sentenced similarly to perjury under Minn. Stat. § 609.48 subd. 4(2). From 2010 to 2021, there were 57 cases of perjury sentenced with an average imprisonment rate of 10.5 percent and an average pronounced duration of 20 months. An average 66.7 percent of those who were probationers received local confinement as a condition of probation. The average pronounced confinement time was 71 days.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Because it is assumed there will be an additional one case sentenced annually, and because the imprisonment rate is 10.5 percent with an average prison sentence of 20 months (serve 2/3 term of imprisonment=13 mos.), it is estimated that there will be a need for one additional prison bed every 12 years.

Local Fiscal Impact

It is estimated that there will be a minimal local government fiscal impact of less than one probationer (.75) annually. The new probationer will most likely receive an average 71 days of local confinement as a condition of probation. The impact will be distributed statewide.

References/Sources

Minn. Judicial Branch, 2010-2022.

MSGC Monitoring Data, 2010-2021.

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HF14 - 0 - Firearm Transfers; Permitting Modified

Chief Author: **Dave Pinto**
 Committee: **Public Safety Finance & Policy**
 Date Completed: **1/26/2023 7:07:21 AM**
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karen McKey **Date:** 1/25/2023 12:47:42 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF14 amends Minn. Stat. § 624.7131 (Transferee Permit; Penalty) at subdivision 4 (Grounds for disqualification) to require a chief of police or sheriff to refuse to grant a permit to a person determined to be a danger to self or others; and at subdivision 7 to require the chief law enforcement officer who issued a permit to revoke the permit if the officer has knowledge the permit holder is ineligible to possess firearms, and to increase the penalty for failure of the holder to return the permit from a misdemeanor to a gross misdemeanor.

The amendments to subdivision 7 also require that when a permit holder receives a court disposition that prohibits the permit holder from possessing a firearm, the court must take possession of the permit if it is available and send it to the issuing law enforcement agency. Otherwise, the permit holder must surrender the permit to the assigned probation officer, if applicable. When a probation officer is assigned, the court shall inform the probation agent of the permit holder’s obligation to surrender the permit. Upon surrender the probation officer must send the permit to the issuing law enforcement agency and if a probation officer is not assigned, the holder shall surrender the permit.

The bill also amends section 624.7131 by deleting subdivision 10 (transfer report is not required), and by increasing the penalty in subdivision 11 for making a false statement to obtain a transferee permit from a gross misdemeanor to a felony.

The bill amends section 624.7132 (Report of Transfer) at subdivision 4 (Delivery) to eliminate references to specific waiting periods, to modify certain references from “pistol or semiautomatic military-style weapon” to “firearm” and at subdivision 5 (Grounds for disqualification) to require the chief of police or sheriff to deny an application if the proposed transferee is determined to be a danger to self or others. The bill also deletes subdivision 6 (Transferee permit), removes the reference to a transferee permit from subdivision 8, and deletes subdivision 14 (Transfer to unknown party).

The bill adds a new section 624.7134 governing private party transfers and requiring records of transfer, which must be retained for 20 years and produced on request of a peace officer as part of a criminal investigation. The bill makes it a gross misdemeanor to fail to produce the record on request.

Assumptions

It is assumed that district courts will not routinely take possession of a permit as directed in this bill as the permit may not be available at a sentencing hearing or be produced when requested by the court. It is assumed that the provisions of this bill may result in additional criminal cases being filed and that case filings will be at a rate consistent with current filings under sections 624.7132 and 624.7132.

Expenditure and/or Revenue Formula

Over the past 5 years, 5 cases have been filed under the existing provisions in sections 624.7131 and 624.7132. With an

average of one case filed per year statewide, if case filings doubled or tripled under the provisions of this bill, another 1 to 2 cases filed annually statewide would not have a significant fiscal impact on the judicial branch.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

References/Sources

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