

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2644 **STATUS:** Original
SUBJECT: Exempts transferor of firearm from performing criminal background check under certain circumstances.
GOVERNMENT UNIT AFFECTED: Oregon State Police
PREPARED BY: Tim Walker
REVIEWED BY: Doug Wilson
DATE: March 5, 2009

REVENUES:	<u>2009-2011</u>	<u>2011-2013</u>
Oregon State Police – Other Funds	\$ (380,584)	\$ (507,445)

POSITIONS / FTE:

EFFECTIVE DATE: January 1, 2010

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

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: This bill would allow a transferor of a fireman to bypass the criminal background check if the recipient has a current Oregon concealed handgun license (CHL).

The Oregon State Police (OSP) currently charges \$10 to perform a criminal background check for a firearm purchase. OSP completed approximately 146,000 background checks in 2007. There are approximately 138,000 CHL holders in the state. OSP randomly sampled 200 firearms transaction requests and approximately 28% of the transactions involved a CHL holder. OSP estimates that by allowing the transfer of a firearm to a CHL holder without a criminal background check could result in decreased revenues for OSP. OSP anticipates a potential decrease in revenues of up to 28% or \$380,584 in 2009-11.

Oregon is a National Firearms Instant Check site for the Bureau of Alcohol, Tobacco and Firearms (ATF). Federal Firearms Licensees (FFL) must request background checks when transferring a firearm. OSP handles all inquiries and transactions originating in the state. OSP queries all available federal, state, and local databases and then notify the FFL as to the status of the background check and whether the transaction can proceed. The ATF allows bypassing of the background check if the buyer has a ATF approved permit. It is not clear if the ATF would approve Oregon’s CHL because of its open-ended status. If the ATF does not approve Oregon’s CHL, then there would be no revenue impact to OSP, because the federal background check, through OSP, would still have to be conducted.