



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-0837 **Date:** July 31, 2023
Prime Sponsors: Sen. Fields; Hansen **Bill Status:** Signed into Law
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Bill Topic: **UNSERIALIZED FIREARMS & FIREARM COMPONENTS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates the crime of unlawful conduct involving an unserialized firearm, frame, or receiver. Starting in the current FY 2022-23, the bill minimally increases state revenue and state and local workload.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

The bill creates the new crime of unlawful conduct involving an unserialized firearm, frame, or receiver, a class 1 misdemeanor for a first offense and a class 5 felony for subsequent offenses. Unlawful conduct includes the following:

- possession or transport of an unfinished frame or receiver, unless imprinted with a serial number by a federal firearms licensee;
- knowing sale, offer to sell, transfer, or purchase of an unfinished frame or receiver, unless imprinted with a serial number by a federal firearms licensee;
- possession, purchase, transport, or receipt of a finished firearm, or frame or receiver of a firearm, that does not have a serial number imprinted by a federal firearms licensee;
- knowing sale, offer to sell, or transfer of a finished firearm, or frame or receiver of a firearm, that does not have a serial number imprinted by a federal firearms licensee; and
- manufacturing, or causing to be manufactured, including through the use of a three-dimensional printer, a frame or receiver of a firearm.

Exceptions are provided for federal firearm licensees to complete serialization. Licensees must also conduct required background checks before returning newly serialized items to owners, and, if the transfer is denied, surrender the items to a law enforcement agency. Licensees must also keep

serialization records, allow law enforcement to inspect these records, and not give false information when making these records. Owners must have unserialized firearms and components imprinted with a serial number by January 1, 2024.

Additionally, the bill adds unlawful conduct involving an unserialized firearm, frame, or receiver to the list of misdemeanor convictions that are cause for a firearm transfer denial, and the list of felony convictions that make a person prohibited from possessing a weapon.

Finally, the bill adds machine gun conversion devices to the list of dangerous weapons, the knowing possession of which is a class 5 felony.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Unlawful conduct involving an unserialized firearm, frame, or receiver. This bill creates the new offense of unlawful conduct involving an unserialized firearm, frame, or receiver, a class 1 misdemeanor for a first offense and a class 5 felony for subsequent offenses. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of unlawful possession, sale, or transfer of a large-capacity magazine, a class 2 misdemeanor, as a comparable crime. From FY 2019-20 to FY 2021-22, 80 offenders have been sentenced and convicted for this existing offense. Of the persons convicted, 76 were Male, 3 were Female, and 1 did not have a gender identified. Demographically, 45 were White, 31 were Black/African-American, 1 was Hispanic, 2 were Asian, and 1 did not have a race identified.

Possession of a dangerous weapon. This bill creates a new factual basis for the existing offense of possession of a dangerous weapon, a class 5 felony, by adding machine gun conversion devices to the list of dangerous weapons. From FY 2019-21 to FY 2021-22, 163 offenders have been sentenced and convicted for this offense. Of the persons convicted, 152 were male, and 11 were Female. Demographically, 123 were White, 20 were Black/African-American, 14 were Hispanic, 3 were Asian, 1 was American Indian, and 2 were classified as "Other."

Assumptions. This fiscal note assumes an overall minimal increase in criminal case filings and convictions for the offenses created by the bill. It is anticipated that the detection of unserialized firearms, frames, or receivers by law enforcement is unlikely to occur in isolation, but instead as part of the active investigation of other criminal activity. Thus, any overall criminal case filings and convictions resulting solely from this offense is likely minimal. Additionally, adding machine gun conversion devices to the list of dangerous weapons is not anticipated to increase criminal case filings and convictions for the reasons mentioned previously, and also because these devices may already be reflected in convictions for possession of a dangerous weapon involving a machine gun.

Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Revenue and Expenditures

Based on the assumptions above, this analysis assumes that there will be a minimal impact on state revenue and expenditures. Under the bill, criminal fines and court fees, which are subject to TABOR, may increase by a minimal amount. Similarly, any increase in workload and costs for the Judicial Department, including the trial courts, Division of Probation, and agencies that provide representation to indigent persons, and to the Department of Corrections, are assumed to be minimal and no change in appropriations is required.

Department of Law. The bill may result in legal challenges where the Department of Law (DOL) is required to represent the state. The DOL will assess any litigation resulting from the bill against current resources and seek any additional resources needed through the annual budget process.

Local Government

Similar to the state, it is expected that any workload or cost increases for district attorneys to prosecute more offenses, or for county jails to imprison more individuals under the bill will be minimal. District attorney offices and county jails are funded by counties.

Effective Date

This bill was signed into law by the Governor and took effect on June 2, 2023, and applies to offenses committed on or after the effective date; except that sections (1) and (3) of 18-12-111.5 C.R.S., as amended in Section 2 of the bill, take effect January 1, 2024, and apply to offenses committed on or after this date.

State and Local Government Contacts

Corrections
Law

District Attorneys
Public Safety

Judicial