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Fiscal Note

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Prime Sponsors: Rep. Duran; Snyder Bill Status: House Judiciary
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Bill Topic: CONCEALED CARRY PERMITS & TRAINING

Summary of Fiscal Impact: [X] State Revenue [] State Transfer [X] Local Government
[X] State Expenditure [X] TABOR Refund [] Statutory Public Entity

The bill requires the Department of Public Safety to verify concealed handgun training instructors and sets criteria for concealed handgun classes and permits. The bill increases state and local expenditures starting in FY 2024-25, and increases state revenue starting in FY 2025-26.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$364,020 to the Department of Public Safety.

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

Table 1
State Fiscal Impacts Under HB 24-1174

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (General Fund, Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (TABOR Refund, General Fund Reserve).

Summary of Legislation

Under current law, permits to carry concealed handguns are issued to individuals who make an application to a sheriff, meet certain eligibility criteria, pass a background check, and demonstrate competence with a handgun. Competency may be demonstrated in several ways, including through submitting a training certificate from a handgun training class with the original signature of the class instructor. Permits must be renewed every five years.

The bill makes several changes to this process, including:

- specifying requirements for initial and refresher concealed handgun training classes;
- requiring the Colorado Bureau of Investigation (CBI) to verify instructors of concealed handgun training classes and to maintain and post a list of verified instructors online;
- allowing the CBI to establish a fee on instructors;
- excluding individuals convicted of certain misdemeanors from permit eligibility;
- adding criteria for renewal permits; and
- providing rulemaking authority to the Colorado Department of Public Safety (CDPS) for instructor verification and class criteria.

Additionally, the bill makes it a deceptive trade practice to claim to be a firearms safety instructor without verification from the CBI.

State Revenue

The bill increases state revenue to the CDPS by an assumed \$25,000 in FY 2025-26 from fees paid by firearms instructors who apply for verification. In addition, starting in FY 2024-25, the bill's deceptive trade practice may increase state revenue from civil penalties and court filing fees by a minimal amount.

Fee impact on firearms instructors. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the CDPS based on cash fund balance, program costs, and the number of firearms instructors subject to the fee. The estimated fee amount shown in Table 2 is based on the assumption that fee revenue from firearms instructors is meant to cover application processing costs, not the full costs of administering the verification program over the ten-year period for which verifications are valid. Additionally, it is unknown how many individuals currently offer their services as a firearms instructor. This analysis assumes there are about 1,000 current firearms instructors in the state. This is based on the number of firearms dealers in the state, and that dealers often have an affiliated instructor.

Table 2
Fee Impact on Firearms Instructors

Fiscal Year	Type of Fee	Fee Estimate	Number Affected	Total Fee Impact
FY 2025-26	Instructor Verification	\$25	1,000	\$25,000

Civil penalties. Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to \$20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing fees. The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures in the CDPS by about \$466,000 in FY 2024-25, and by about \$214,000 in FY 2025-26. FY 2024-25 expenditures are assumed to be paid from the General Fund, and subsequent fiscal year expenditures are assumed to be paid from a combination of the General Fund and the CBI Identification Unit Cash Fund—see Technical Note. Additionally, the bill’s deceptive trade practice may increase workload in the Department of Law and the Judicial Department. Expenditures are detailed in Table 3 and discussed below.

**Table 3
Expenditures Under HB 24-1174**

	FY 2024-25	FY 2025-26
Department of Public Safety		
Personal Services	\$106,432	\$133,040
Operating Expenses	\$2,048	\$2,560
Capital Outlay Costs	\$13,340	-
Contract Staff	\$187,200	-
Secure Document Delivery System	\$55,000	\$3,000
Centrally Appropriated Costs ¹	\$101,810	\$75,052
Total Cost	\$465,830	\$213,652
Total FTE	1.6 FTE	2.0 FTE

¹ Centrally appropriated costs are not included in the bill’s appropriation.

Department of Public Safety. The CBI requires FTE, contract staff, and information technology improvements to implement the bill, as outlined below.

- **Staff.** CBI requires 2.0 FTE for FY 2024-25 and 2025-26 to implement and administer the program, to process verification applications, ensure firearms instructors remain in compliance, and maintain program operations. Once the program is established, this fiscal note assumes that the ongoing staff required is less than 2.0 FTE. Amounts are prorated for a September 1, 2024 start date, and include standard operating and capital outlay costs.

- **Contractors.** The bill's criteria for class curriculum and competency exams are assumed to necessitate the development of original materials by the CBI. CBI requires two contractors in FY 2024-25 only. Each contractor is estimated to cost \$93,600 for their work in FY 2024-25. Contractors are required to design the program, develop rules, conduct outreach with stakeholders, develop concealed handgun class curriculum that meets the requirements of the bill, and assist with developing the website listing verified firearms instructors.
- **Secure document delivery system.** Funding is required to develop a secure document delivery system that will be used to verify firearms instructors, which involves collecting personally identifiable information and criminal histories. The sensitivity of this information requires the use of a secure document delivery system. Beyond FY 2024-25, funding is required for maintenance of this system.
- **Rulemaking.** It is assumed that the CDPS will accomplish rulemaking within existing legal services resources, and no change in appropriations is required.

Department of Law. Workload in the Department of Law will minimally increase to the extent that deceptive trade practice complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

Judicial Department. Trial courts in the Judicial Department may have an increase in cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that firearms instructors will abide by the law and that any violation of the legislation will result in a minimal number of new cases. The fiscal note assumes that this can be accomplished within existing resources and that no change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance, supplemental employee retirement payments, leased space, and indirect cost recoveries are shown in Table 3.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

Changes to the concealed handgun permit process and collaborating with the CBI on rules and curriculum will increase workload in sheriffs' offices.

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

Technical Note

The bill authorizes the CDPS to collect a fee from firearms instructors applying for verification, but does not indicate to which fund the money is deposited. The fiscal note assumes that the CBI Identification Unit Cash Fund will receive this fee revenue and be used to offset a portion of the program's costs.

Effective Date

Sections 1, 4, 5, and 6 of the bill, which concern the requirements to get a concealed handgun permit, take effect July 1, 2025, and the remaining sections take effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$364,020 to the Department of Public Safety, and 1.6 FTE.

State and Local Government Contacts

Information Technology

Judicial

Public Safety

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).