



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-003: SEMIAUTOMATIC FIREARMS & RAPID-FIRE DEVICES

Prime Sponsors:

Sen. Sullivan; Gonzales J.
Rep. Boesenecker; Froelich

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Fiscal note status: This revised fiscal note reflects the reengrossed bill. It has also been updated to reflect additional analysis and information received.

Summary Information

Overview. The bill prohibits the manufacture, distribution, transfer, sale, or purchase of certain semiautomatic firearms, with certain exceptions, including for persons who have completed qualifying firearm or hunter education. It classifies rapid-fire devices as dangerous weapons.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2025-26:

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires appropriations totaling \$3.4 million to multiple state agencies; see State Appropriations section.

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$4,875,000	\$4,875,000
State Expenditures	\$3,905,684	\$2,834,124
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$2,125,000	\$2,125,000
Change in State FTE	18.5 FTE	18.5 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$4,875,000	\$4,875,000
Total Revenue	\$4,875,000	\$4,875,000

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$3,404,641	\$2,350,581
Federal Funds	\$0	\$0
Centrally Appropriated	\$501,043	\$483,543
Total Expenditures	\$3,905,684	\$2,834,124
Total FTE	18.5 FTE	18.5 FTE

Summary of Legislation

The bill prohibits the manufacture, distribution, transfer, sale, or purchase of semiautomatic rifles or shotguns with detachable magazines and gas-operated semiautomatic handguns. Rifles that use .22 caliber, or lower, rim-fire ammunition are not prohibited, unless the rifle has separate upper and lower receivers. Other exceptions are provided in the bill for certain persons, including law enforcement and individuals who have completed qualifying firearm-related education courses. The Attorney General is authorized to provide guidance regarding implementation of the bill, including issuing opinions or providing other guidance about specific firearms to which the bill applies.

The penalty for a violation is a class 2 misdemeanor, or a class 6 felony for second or subsequent violations. Any conviction is grounds for denial of any future firearm transfers, and makes a person subject to the felony for possession of a weapon as a previous offender (POWPO) restrictions. Additionally, the Department of Revenue (DOR) must revoke the state firearm dealer permit of any dealer who is convicted for a violation.

The bill classifies rapid-fire devices as dangerous weapons, which are subject to other prohibitions and penalties in statute, and removes references to machine gun conversion devices. The bill also increases the penalty for selling, transferring or possessing a large capacity magazine from a class 2 misdemeanor to a class 1 misdemeanor. Additionally, the bill includes a severability clause.

As mentioned above, the bill establishes a process for a person that has completed certain firearm-related courses to acquire firearms otherwise prohibited by the bill. Sheriffs must authorize a person to take these classes after completion of appropriate criminal history background checks, and then Colorado Parks and Wildlife (CPW) verifies that required educational classes have been completed.

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.

Prior Conviction Data

Specified Semiautomatic Firearms

This bill creates the new offense of unlawful manufacture, distribution, transfer, sale, or purchase of a specified semiautomatic firearm, a class 2 misdemeanor for a first offense or a class 6 felony for a second or subsequent offense. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of unlawful sale, transfer, or possession of a large-capacity magazine, a class 2 misdemeanor, as a comparable crime. From FY 2021-22 to FY 2023-24, 203 offenders have been sentenced and convicted for this existing offense. Of the persons convicted, 198 were male and 5 were female. Demographically, 102 were white, 86 were Black/African-American, 9 were Hispanic, 3 were Asian, 2 were American Indian, and 1 was classified as "Other."

POWPO

The bill creates a new factual basis for the existing offense of possession of a weapon by a previous offender (POWPO), a class 5 felony, by adding a new potential felony conviction that would make a person ineligible to possess a firearm. From FY 2021-22 to FY 2023-24, 423 persons have been sentenced and convicted for this existing offense. Of the persons convicted, 399 were male, 20 were female, and 4 did not have a gender identified. Demographically, 291 were White, 96 were Black/African-American, 20 were Hispanic, 4 were Asian, 3 were American Indian, 8 were classified as "Other," and 1 did not have a race identified.

Dangerous Weapons

The bill creates a new factual basis for the existing offense of possession of a dangerous weapon, a class 5 felony, by removing machine gun conversion devices and adding rapid-fire devices to the list of dangerous weapons. From FY 2021-22 to FY 2023-24, 173 persons have been sentenced and convicted for this existing offense. Of the persons convicted, 160 were male, and 13 were female. Demographically, 125 were White, 26 were Black/African-American, 11 were Hispanic, 6 were Asian, 1 was American Indian, 3 were classified as "Other," and 1 did not have a race identified.

Large Capacity Magazine

This bill reclassifies the existing offense of selling, transferring, or possessing a large capacity magazine from a class 2 misdemeanor to a class 1 misdemeanor. From FY 2021-22 to FY 2023-24, 204 individuals have been convicted and sentenced for this offense. Of the persons convicted, 199 were male, and 5 were female. Demographically, 103 were White, 86 were Black/African American, 9 were Hispanic, 3 were Asian, 2 were American Indian 1 was classified as "Other".

Assumptions

Overall, the fiscal note assumes that there will be minimal or no additional case filings or convictions from the new offense under the bill, or from the changes to existing offenses. The new offense under the bill does not prohibit possession, while the comparable crime includes this element. Additionally, prohibited conduct for the new offense will mostly impact firearm dealers, who are assumed to follow all laws regarding firearms. In addition, the bill creates an educational option for persons to complete in order to purchase a firearm otherwise prohibited by the bill, which further decreases the likelihood of prosecution. POWPO offenses require a previous felony conviction. Under the bill, a felony conviction is only possible after a first offense, which is assumed to minimally occur. Replacing machine gun conversion devices with rapid-fire devices in the list of dangerous weapons is unlikely to increase case filings or convictions because the similarity of these devices means that possession of rapid-fire devices is likely already being prosecuted under current law. Finally, increasing the criminal classification for large capacity magazine will not increase the number of cases filed in the criminal justice system. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Revenue

The bill increases state revenue by approximately \$4.9 million per year starting in FY 2025-26. Revenue is received from two sources: background check fees to the Colorado Bureau of Investigation (CBI) in the Department of Public Safety (CDPS), and fee revenue passed on to CPW from private vendors conducting firearm education classes to verify students have completed required courses. Revenue to the CBI is estimated to be about \$2.6 million per year, of which \$2.1 million is retained by the state and subject to TABOR and \$500,000 is passed on to the Federal Bureau of Investigation. This revenue will accrue to the CBI Identification Unit Cash Fund and the Instant Criminal Background Check Cash Fund. The amount of revenue to the CPW is estimated to be about \$2.3 million per year to the Firearms Training and Safety Course Cash Fund. Since the CPW has enterprise status, any revenue collected by the CPW is exempt from TABOR.

These estimates are based on the following assumptions:

- 50,000 people per year will contact a sheriff to qualify for a firearm education class and have a CBI background check similar to one required for a concealed handgun permit conducted and take an eligible education class;

- the background check fee is \$52.50, of which \$42.50 is retained by the CBI and \$10.00 is passed on to the FBI (and not subject to TABOR); and
- private vendors will pass on \$45 per participant to the CPW for verification of course completion by students. It is assumed that revenue to the CPW will be fairly constant, regardless of which course options required by the bill are taken.

Fee Impact on Specified Semiautomatic Firearm Purchases

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 and the CPW based on cash fund balance, program costs, and the number of firearm purchases subject to the fee. The table below identifies the fee impact of this bill.

Table 2A
Annual Fee Impact on Specified Semiautomatic Firearm Purchases
Starting FY 2025-26

Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
CBI Background Check	\$52.50	50,000	\$2,625,000
CPW Course Record Verification	\$45.00	50,000	\$2,250,000
Total Fee Revenue – FY 2025-26			\$4,875,000

Criminal Fines

By increasing the crime classification an existing misdemeanor offense, the bill will increase state revenue from criminal fines and court fees by a minimal amount beginning in FY 2025-26, credited to the Fines Collection Cash Fund, various other cash funds in the Judicial Department, and the General Fund. The fine penalty for a class 1 misdemeanor is \$500-\$1,000 while a class 2 misdemeanor is \$250-\$750. Because the courts have the discretion of incarceration, imposing a fine, or both, a precise state revenue impact cannot be determined but are assumed to be minimal. Criminal fine and court fee revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures by about \$3.9 million in FY 2025-26 and about \$2.8 million in FY 2026-27 and future years. These costs will be incurred in the Department of Natural Resources (DNR) and the CDPS as shown in Tables 2 and described in the sections below. Costs in the CDPS are paid from the CBI Identification Unit Cash Fund and the Instant Criminal Background Check Cash Fund. Costs in the DNR are paid from the Firearms Training and Safety Course Cash Fund. The bill also affects costs in the state criminal justice system, the Department of Law, and the Department of Revenue.

**Table 2
State Expenditures
All Departments**

Department	Budget Year FY 2025-26	Out Year FY 2026-27
Department of Natural Resources - CPW	\$1,363,010	\$400,500
Department of Public Safety – CBI ¹	\$2,542,674	\$2,433,624
Total Costs	\$3,905,684	\$2,834,124
Total FTE	18.5 FTE	18.5 FTE

¹ This amount includes funds passed through to federal government for FBI background checks.

Department of Natural Resources

The CPW will have costs of about \$1.4 million in FY 2025-26 and about \$400,000 in FY 2026-27 and future years, paid from the Firearms Training and Safety Course Cash Fund. Costs are for computer system development and staff to support the new process for education verification.

System Development and Maintenance

Costs include \$1.0 million for the development and implementation of a system that will allow the department to verify persons have completed firearms-related courses required to purchase firearms otherwise prohibited by the bill. The estimated cost for development and implementation of a system through a vendor is \$900,000, with \$100,000 in payments to the Office of Information Technology (OIT) to ensure the system meets state information technology requirements. Starting in FY 2026-27, annual system maintenance costs are \$75,000.

Staff

The CPW requires 3.0 FTE starting in FY 2025-26. Staff will oversee the course record and verification system, conduct outreach with sheriffs and members of the public, and continue to manage the program in future years. In addition to these new staff, existing staff in the DNR will assist with the administration of the course record and verification system.

Table 2A
State Expenditures
Department of Natural Resources

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$231,741	\$231,741
Operating Expenses	\$3,840	\$3,840
Capital Outlay Costs	\$20,010	\$0
Course Record System	\$1,000,000	\$75,000
Centrally Appropriated Costs	\$107,419	\$89,919
Total Costs	\$1,363,010	\$400,500
Total FTE	3.0 FTE	3.0 FTE

Department of Public Safety

The bill increases cash fund expenditures in the CDPS for fingerprint-based criminal history background checks by about \$2.5 million per year starting in FY 2025-26, paid from the CBI Identification Unit Cash Fund and the Instant Criminal Background Check Cash Fund.

Staff

Starting in FY 2025-26, the CDPS requires 3.0 FTE Data Management III and 6.1 FTE Fingerprint Examiner II to process the 50,000 fingerprint background applications that the fiscal note assumes the bill will generate from specified semiautomatic firearm purchase permits. Additionally, 6.4 FTE Data Management III is required to process the national instant criminal history record check portion of these purchase permit applications. Fingerprint employees will undertake a one-time training session that costs \$1,000 per person. Leased space costs for these FTE are included in the line for Centrally Appropriated Costs.

Federal Bureau of Investigation Pass-Through

The CDPS passes \$10.00 of every application on to the federal government. With 50,000 applications, this equates to \$500,000 per year.

Processing Costs

There are the following costs associated with each background check application: \$6.10 dedicated to equipment maintenance; \$1.55 for print digitization; \$0.88 to access the Colorado Crime Information Center for information pertinent to the background check; and \$0.58 printing and postage costs.

Table 2B
State Expenditures
Department of Public Safety

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$1,071,160	\$1,062,160
Operating Expenses	\$19,840	\$19,840
Capital Outlay Costs	\$100,050	\$0
FBI Pass-Through	\$500,000	\$500,000
Processing Costs	\$458,000	\$458,000
Centrally Appropriated Costs	\$393,624	\$393,624
Total Costs	\$2,542,674	\$2,433,624
Total FTE	15.5 FTE	15.5 FTE

Criminal Justice System

Based on the assumptions in the Comparable Crime Analysis section, this analysis assumes that there will be a minimal impact on the criminal justice system. Under the bill, 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 authorizes, but does not require, the Department of Law (DOL) to provide guidance regarding implementation of the bill, including issuing opinions on specific models of firearms that are prohibited. Depending on the amount of guidance requested, workload for the DOL may increase and could require additional resources. Generally, it is assumed this workload can be accomplished within existing resources. If the DOL chooses to produce guidance which requires more resources to provide, this will be addressed through the annual budget process.

Department of Revenue

The bill requires the DOR to revoke the state firearm dealer permit of any dealer who violates the provisions of the bill. This increases workload for the DOR; however, based on the population of firearm dealers and an assumption that most dealers will follow the law, the increase is expected to be minimal and no additional appropriations are required.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1 above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. 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.

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.

Additionally, sheriffs will have increased workload, costs and fee revenue from processing requests from individuals seeking to take firearm education and to share information with CPW,

Technical Note

The Firearms Training and Safety Course Cash Fund is intended to cover costs for the CPW to administer the records system. However, it will not have sufficient revenue in FY 2025-26 to cover these costs. The fiscal note assumes an appropriation from the Wildlife Cash Fund to the DNR, although uses of the Wildlife Cash Fund in the CPW are limited by statute, which would need to be amended to allow this cash fund to pay for costs associated with the bill. Without an amendment, another funding source would need to be identified.

Effective Date

The bill takes effect September 1, 2025, and applies to offenses committed on or after this date.

State Appropriations

For FY 2025-26, the bill requires the following appropriations:

- \$1,255,591 to the Department of Natural Resources from the Wildlife Cash Fund, and 3.0 FTE. Of this amount, \$100,000 is reappropriated to the Office of Information Technology;
- \$1,662,269 to the Department of Public Safety from the CBI Identification Unit Cash Fund, and 9.1 FTE. Of this amount, \$500,000 is passed through to the FBI; and
- \$486,781 to the Department of Public Safety from the Instant Criminal Background Check Cash Fund, and 6.4 FTE.

Departmental Difference

In addition to the impacts identified above for background checks, the Department of Public Safety (CDPS) estimates the bill requires an additional \$4,655,352 General Fund and 8.0 FTE in FY 2025-26 and \$995,792 General Fund and 8.0 FTE in FY 2026-27 and ongoing related to increased investigatory and evidence management costs.

The CBI assumes that the bill will result in the submission of an additional 1,000 firearms per year to the Colorado Bureau of Investigation (CBI) for functionality testing to determine if firearms are prohibited by the bill. The CDPS indicates that under current law 1,000 firearms per year are processed by forensic firearm examiners. The increase in workload would require additional forensic staff, support staff, forensic examination equipment, other specialized equipment, non-standard staff operating costs, and, due to the lack of space at the CBI lab in Pueblo for these additional staff and equipment, a remodel of the Pueblo lab and purchase of temporary leased space to house staff while the remodel is in progress.

Based on the Comparable Crime Analysis section above, responses of other agencies regarding the potential for violations to occur, bill language allowing for the DOL to issue guidance or opinions regarding implementation of the bill, and the fact that there is an educational process for individuals to legally obtain firearms otherwise prohibited by the bill, the fiscal note assumes a minimal amount of additional firearms may be submitted to the CBI. This increase in workload does not require additional appropriations, and the fiscal note does not include the CDPS's costs.

State and Local Government Contacts

Corrections
District Attorneys

Judicial
Law

Natural Resources
Public Safety

Revenue