

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE COMMITTEE SUBSTITUTE FOR**  
**SENATE, No. 3214**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: NOVEMBER 9, 2022

**SUMMARY**

- Synopsis:** Makes various revisions to requirements for obtaining a firearm purchaser identification card, permit to purchase a handgun, and permit to carry a handgun; codifies sensitive places in which firearms and destructive devices are prohibited.
- Type of Impact:** Annual State and municipal expenditure increases.  
Annual State and municipal revenues increases.
- Agencies Affected:** Department of Law and Public Safety; Department of Corrections; Victims of Crime Compensation Office; Administrative Office of the Courts; Superior Courts; Municipal Law Enforcement and Prosecutors.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Expenditure Increase</b>	Indeterminate
<b>State Revenue Increase</b>	Indeterminate
<b>Local Cost Increase</b>	Indeterminate
<b>Local Revenue Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) anticipates that the State and municipalities will incur indeterminate additional annual operating expenses from the processing of an increased number of applications; establishing training programs; enforcing, prosecuting, and trying the offenses established by the bill; and incarcerating any offenders. In addition, the OLS estimates increased State and municipal revenue because of the fee increases for the permit to carry application, the firearm purchaser identification card (FPIC), the permit to purchase a handgun (PPH), and increased fines and penalties.
- The bill’s establishment of new crimes of the third and fourth degree, and disorderly persons offenses, will increase the workload of the Division of Criminal Justice in the Department of Law and Public Safety, county prosecutor’s offices, the Administrative Office of the Courts, and municipal courts as additional defendants will be prosecuted and tried for these crimes and offenses. Crimes of the third and fourth degree are adjudicated by the Superior Court.

Disorderly persons offenses are adjudicated by municipal courts, in most circumstances. A presumption of non-incarceration applies to first-time offenders of crimes of the third and fourth degree, and disorderly persons offenses. Repeat offenders, however, could be incarcerated, with the Department of Corrections incurring the cost.

- The Victims of Crime Compensation Office will receive a portion of the established \$200 application fee for the permit to carry a handgun.

## **BILL DESCRIPTION**

This bill removes from current law the justifiable need standard, which is the standard an individual is required to meet to hold a permit to carry a handgun in this State, in accordance with a recent decision of the United States Supreme Court in New York State Rifle & Pistol Association v. Bruen. The bill further establishes certain criteria for obtaining a permit to carry a handgun and codifies certain venues at which the right to carry firearms would be restricted due to security and safety concerns.

The bill expands the disqualifying criteria that would prohibit a person from obtaining an FPIC, PPH, or permit to carry a handgun.

The bill makes several changes to the procedure for applying for an FPIC or PPH. The bill increases the fee to obtain an FPIC from \$5 to \$50. The fee for the PPH would be increased from \$2 to \$25.

This bill renders a recent enactment (P.L.2022, c.58), which requires FPICs to display a picture and thumb print, inoperative until the Superintendent of State Police establishes a system for issuing these cards.

This bill codifies the current reporting procedure established by the State Police, which established a web portal for electronically reporting handgun sales and requires that handgun transfers between certain people be conducted via the web portal.

The bill revises the application process for obtaining a permit to carry a handgun. The bill requires an applicant to provide endorsements from four people, an increase of one additional endorsement, who are unrelated to the applicant. The chief of police or superintendent, as appropriate, is required to interview the applicant and those persons providing the endorsements and may request information from the applicant or any other person pertaining to publicly available statements posted or published online by the applicant. The bill also extends the time frame which the superintendent or chief of police is required to approve or deny an application for a permit to carry a handgun from 60 to 90 days.

The bill also requires the Superintendent of State Police to establish a training requirement in the lawful and safe handling and storage of firearms for persons who obtain a permit to carry a handgun. The training requirement is to consist of an online course of instruction, in-person classroom instruction, and target training. A person who obtained a permit to carry a handgun prior to the bill's effective date would be required to complete the classroom instruction and target training within 90 days of the bill's effective date.

In addition, the application fee for the permit to carry a handgun would be \$200. In the case of an application made to the chief police officer of a municipality, \$150 of the fee is to be retained by the municipality to defray the costs of investigation, administration, and processing of the permit to carry handgun applications. The remaining \$50 is to be forwarded to the superintendent to be deposited into the Victims of Crime Compensation Office account. The permit would be issued to the applicant electronically through email or through an established web portal. Prior to

issuing the permit, the chief of police or superintendent is required to conduct an investigation of the applicant. Any fees submitted to the superintendent are to be deposited into the Victims of Crime Compensation Office account. The permit would be issued to the applicant electronically through email or through an established web portal. Prior to issuing the permit, the chief of police or superintendent is required to conduct an investigation of the applicant.

The bill establishes certain requirements for certain private citizens who obtain a carry permit including obtaining liability insurance and exhibiting the permit to carry a handgun to a law enforcement officer if stopped or detained. A person who violates these requirements would be guilty of a crime of the fourth degree including the revocation of a permit to carry a handgun. A person who fails to display proof of liability insurance would be guilty of a disorderly persons offense and subject to a \$100 fine and guilty of a crime of the fourth degree for a second or subsequent offense.

The bill also delineates places in which certain persons would be prohibited from carrying a firearm or destructive device. Under the bill, it would be a third degree crime to carry any firearm or destructive device in those certain locations.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS anticipates that the State, county prosecutor's offices, local law enforcement agencies, and municipal courts will incur indeterminate additional annual operating expenses from processing an increased number of applications; establishing a training program; enforcing, prosecuting, and trying the offenses established by the bill; and incarcerating any offenders. In addition, the OLS estimates increased State and municipal revenue because of the fee increases for the permit to carry application, the FPIC, the PPH, and increased fines and penalties.

According to a June 2022 news article, only 1,000 permits to carry a handgun have been issued in the State and New Jersey State Police Superintendent Colonel Pat Callahan anticipates that more than 200,000 people will apply for these permits in light of the United States Supreme Court ruling.

***State Expenditure Increases and Decreases*** – The OLS estimates that the bill's requirements will result in increased expenditures to the Division of State Police to process additional permit to carry a handgun applications, as well as establish a training mechanism for those individuals who are approved to obtain a carry permit.

Further, this bill establishes penalties for various offenses related to a permit to carry a handgun. The bill's establishment of new crimes of the third and fourth degree, and disorderly persons offenses, will increase the workload of the Division of Criminal Justice in the Department of Law and Public Safety, county prosecutor's offices, the Administrative Office of the Courts, and municipal courts, as additional defendants will be prosecuted and tried. Crimes of the third and fourth degree are adjudicated by the Superior Court. Disorderly persons offenses are adjudicated by municipal courts, in most circumstances. A presumption of non-incarceration applies to first-time offenders of crimes of the third and fourth degree, and disorderly persons offenses. Repeat offenders, however, could be incarcerated, with the Department of Corrections incurring the cost.

Further, the bill requires the Division of State Police to accept an increased number of permit to carry a handgun applications and establish a training program (online, in-person, and target training) with the Police Training Commission in the lawful and safe handling and storage of firearms for persons who obtain a permit to carry a handgun. The bill is anticipated to increase the Division of State Police's workload as there will be additional applications and persons required to be interviewed during the application process. The bill does extend the time frame for the superintendent to approve or deny an application for a permit to carry a handgun from 60 to 90 days, and this extension may be helpful in meeting this deadline depending on the number of applications received at any given time.

The OLS cannot determine if any of the increased firearm related fees or payments for training courses will offset the operations cost to the Division of State Police related to the anticipated increased workload. The Victims of Crime Compensation Office will receive a portion of the established \$200 application fee for the permit to carry a handgun.

Additionally, this bill renders a recent enactment (P.L.2022, c.58), which requires FPICs to display a picture and fingerprint, inoperative until the Superintendent of State Police establishes a system for issuing these cards. This may provide a temporary cost savings to the Division of State Police.

Lastly, the State may have legal costs associated with those challenging the bill's constitutionality.

***Municipal Law Enforcement Expenditure Increase*** – The OLS estimates that the bill will produce indeterminate annual expenditure increases to municipalities, specifically law enforcement.

Under current law, in order to lawfully carry a handgun in public, applicants for a permit to carry a handgun need the approval of the chief of police in the municipality where they reside and the approval of a Superior Court judge in the county where they reside. This approval is contingent upon a person submitting, along with the application, a written certification establishing justifiable need. The OLS estimates that the increase in estimated applications will result in a need for additional manpower to fulfill the bill's requirements.

Specifically, the bill revises the application process for obtaining a permit to carry a handgun. Currently, the chief of police is required to interview the applicant and those persons providing the endorsements. The bill requires an applicant to provide endorsements from four people, an increase of one additional endorsement. The OLS estimates that, based on the anticipated increased number of applicants and investigations, this requirement will result in an increased workload for municipal law enforcement. The bill does extend the time frame for the chief of police to approve or deny an application for a permit to carry a handgun from 60 to 90 days, and this extension may be helpful in meeting this deadline depending on the number of applications received at any given time.

Further, a person who fails to display proof of liability insurance would be guilty of a disorderly persons offense. The bill's establishment of disorderly persons offenses will increase the workload of the municipal courts as additional defendants will be prosecuted and tried.

***State and Municipal Annual Revenue*** – An increase in revenue from increased fees as well as additional indeterminate annual State and municipal revenue will accrue from fine and penalty payments from convicted violators of new statutory provisions.

***Fees*** - The bill increases the fee to obtain an FPIC from \$5 to \$50, which must be renewed every ten years and only applies to those cards issued after the effective date of P.L.2022, c.58. The fee for the PPH would be increased from \$2 to \$25 and is only valid for 90 days.

The bill increases the application fee for the permit to carry a handgun from \$20 to \$200. In the case of an application made to the chief of police of a municipality, \$150 of the fee is to be retained by the municipality to defray the costs of investigation, administration, and processing of the permit to carry a handgun applications. The remaining \$50 is to be deposited with the superintendent. Any fees submitted to the superintendent are to be deposited into the Victims of Crime Compensation Office account.

***Fine and penalty payments*** - This bill establishes penalties for various offenses related to the permit to carry a handgun. In establishing the new third degree crimes, fourth degree crimes, and disorderly persons offenses, the bill creates the potential for recurring State and municipal revenue gains.

Under the bill, it would be a third degree crime to carry any firearm or destructive device in certain locations. In creating a new crime of the third degree, the bill could potentially generate increased recurring State revenue gains. Crimes of the third degree are punishable by a term of imprisonment of three to five years, a fine of up to \$15,000, or both.

The bill establishes certain requirements for private citizens who obtain a permit to carry a handgun with penalties for violations. A person who has been detained by a law enforcement officer and does not immediately reveal the carrying of a handgun is guilty of a crime of the fourth degree. A person who fails to display the permit to carry a handgun to a law enforcement officer would be guilty of a disorderly persons offense and subject to a \$100 fine; for a second or subsequent offense the person is guilty of a crime of the fourth degree. A person detained by a law enforcement officer as part of a criminal investigation who fails to provide the handgun to the officer for inspection is guilty of a crime of the fourth degree. In addition, a person who fails to provide proof of liability insurance is guilty of a crime of the fourth degree. Fourth degree crimes are punishable by a term of imprisonment of up to 18 months, a fine of up to \$10,000, or both. A disorderly persons offense is punishable by up to six months' imprisonment, a fine of up to \$1,000, or both. Disorderly persons offenses are adjudicated by municipal courts, in most circumstances.

The OLS cannot determine the number of convictions the bill's provisions may generate, and by extension, the total of any resultant fine and penalty revenue. The OLS additionally notes that due to financial constraints, many penalties go unpaid.

*Section: Law and Public Safety*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).