

CALIFORNIA DEPARTMENT OF JUSTICE
TITLE 11. LAW
DIVISION 5. FIREARMS REGULATIONS
CHAPTER 14. CARRY CONCEALED WEAPONS LICENSES

ECONOMIC AND FISCAL IMPACT STATEMENT (STD 399) ATTACHMENT

ECONOMIC IMPACT STATEMENT

A. ESTIMATED PRIVATE SECTOR COST IMPACTS

Number of Businesses Impacted

Penal Code section 26165 requires carry concealed weapon (CCW) license applicants to complete a course of firearms training before the license can be granted by the licensing authority. With the passage of Senate Bill 2 (SB 2), all CCW training instructors must now be certified by the Department under Penal Code section 31635, or in a manner to be prescribed by regulation. (Pen. Code, § 26165, subd. (a)(4).)

The Department's emergency regulations established the qualifications required to become a CCW DOJ Certified Instructor and created the application process. (Cal. Code Regs., tit. 11, § 4410.) Since January 1, 2024, the Department has received 1,554 CCW instructor applications.

The Department estimates that approximately 100%, are "small businesses," as defined in Government Code section 11346.3, subdivision (b)(4)(B).

B. ESTIMATED COSTS

Impact on Training Instructors

The regulations require CCW instructor applicants to provide a training certificate from a specified training entity. The average cost to obtain a training certificate is \$350. While the Department estimates that the majority of CCW instructor applicants already had one of the necessary certificates (as there is significant overlap between Penal Code section 31635 training entities and California Code of Regulations, title 11, section 4410 training entities), instructor applicants that were not already certified by an authorized entity would have to pay for and pass the course in order to continue teaching CCW license applicants.

The cost to take an authorized instructor course is set by the market. The average cost is \$350. If half of the instructor applicants were not already certified and paid \$350 for an authorized course, the total cost would be \$271,950 per year (1,554/2 x \$350).

The Department estimates that 100% of qualified individuals who want to be DOJ Certified Instructors will apply before the end of this calendar year. However, there will be a natural

attrition in upcoming years, as well as a small number of new individuals who want to be DOJ Certified Instructors (e.g., those turning 21 years old or new California residents).

Impact on CCW License Applicants

Prior to SB 2, the course of training for issuance of a CCW license had to be a minimum of 8 hours, and could not exceed 16 hours. SB 2 increased the minimum course length to 16 hours. (Pen. Code, § 26165, subd. (a)(1).) Instructors set the fee they charge for the course, with most charging \$300-\$400 for initial applicants. SB 2 also increased the minimum course length for renewal applicants from four hours to eight hours. (Pen. Code, § 26165, subd. (d).)

The increase cost of the course is due to the length being doubled pursuant to the statute. Instructors have also experienced an increase in students as a result of SB 2 and the United States Supreme Court's decision in *New York Rifle and Pistol Association v. Bruen* (2022) 597 U.S. 1. This increase in business is a result of the statute and not the proposed regulations.

D. ALTERNATIVES TO THE REGULATION

SB 2 provides, "Except for the component on mental health and mental health resources, the course shall be taught and supervised by firearms instructors certified by the Department of Justice pursuant to Section 31635, or in a manner to be prescribed by regulation." (Pen. Code, § 26165, subd. (a)(4).) The Department considered two alternatives to the proposed regulations.

Alternative No. 1

Allow CCW instructors to be certified pursuant to Penal Code section 31635 (i.e., the same manner and requirements as Firearm Safety Certificate (FSC) instructors). The Department rejected this alternative because FSC instructors do not have the minimum level of skill, knowledge, and competency to teach the course required by Penal Code section 26165, subdivision (a)(2) and (6).

Pursuant to Penal Code section 26840, a firearms dealer cannot deliver a firearm unless the person receiving the firearm presents a valid FSC, which is obtained by passing a written test on firearm safety. The FSC test consists of 10 true/false questions and 20 multiple choice questions related to a minimum of the 8 topics specified in Penal Code section 31640. (Cal. Code Regs., tit. 11, § 4253.) Prior to taking delivery of a firearm, the purchaser/recipient must also successfully perform a safe handling demonstration with that firearm. (Pen. Code, §§ 26850, 26860.)

In contrast to administering a 30-question test, the course CCW instructors give to CCW license applicants must be at least 16 hours long. (Pen. Code, § 26165, subd. (a)(1).) The course "shall include instruction on firearm safety, firearm handling, shooting technique, safe storage, legal methods to transport firearms and securing firearms in vehicles, laws governing where permitholders may carry firearms, laws regarding the permissible use of a firearm, and laws regarding the permissible use of lethal force in self-defense." (Pen. Code, § 26165, subd. (a)(2).) Further, the course "shall include live-fire shooting exercises on a firing range and shall include a

demonstration by the applicant of safe handling of, and shooting proficiency with, each firearm that the applicant is applying to be licensed to carry.” (Pen. Code, § 26165, subd. (a)(6).)

Thus, the responsibilities and required knowledge of a CCW instructor are far more extensive than the responsibilities of a FSC instructor. Meeting the qualifications of a FSC instructor does not ensure the instructor has the minimum level of skill, knowledge, and competency to teach the course required by Penal Code section 26165.

Alternative No. 2

The Department’s original emergency regulations required applicants to provide a training certificate from one of the following programs: (1) Bureau of Security and Investigative Services (BSIS), Department of Consumer Affairs, State of California-Firearm Training Instructor; (2) Commission on Peace Officer Standards and Training (POST), State of California-Firearms Instructor or Rangemaster; or (3) Authorization from a State of California accredited school to teach a firearm training course.

The Department received approximately 2,000 public comments, most of which argued that the training options for becoming a DOJ Certified Instructor were too restrictive and would lead to a shortage of qualified instructors. Stakeholders did not raise any concerns about the cost of obtaining the proposed training certificates.

The Department decided to expand the qualifications to include other recommended training entities, which increased the number of qualified CCW instructors. The expanded instructor training options continue to ensure that DOJ Certified Instructors have the minimum level of skill, knowledge, and competency to teach the course required by Penal Code section 26165, subdivision (a)(2) and (6).

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT

Fiscal Estimates Provided in SB 2’s Legislative History

The bill analysis provided by the Senate Appropriations Committee contained the following information regarding SB 2’s fiscal impact on local government:

Local Costs: Unknown, possibly reimbursable costs, to local law enforcement agencies, including city police agencies and county sheriff offices to comply with the requirements in this bill for issuing CCWs (Local Funds, General Fund).

Prior to the *Bruen* decision, local law enforcement used a good cause standard to make case-by-case decisions on CCWs. This bill may require a more nuanced evaluation of a CCW application. Local costs could be in the millions in the first two or three fiscal years as more people apply for CCWs following the Supreme Court’s ruling, with costs declining over time. Costs to the General Fund will depend on whether the duties imposed by this bill constitute a reimbursable state mandate, as determined by the Commission on State Mandates.

(Sen. Com. on Appropriations, Analysis of Sen. Bill No. 2 (2023-2024 Reg. Sess.) as amended March 1, 2023.)

Additional Calculations

Licensing authorities may charge a fee in an amount equal to the reasonable costs for processing the application for a new CCW license or a license renewal, issuing the license, and enforcing the license, including any required notices, excluding fingerprint and training costs. (Pen. Code, § 26190, subd. (b).) In the case of an amended license, the licensing authority may charge a fee in an amount not to exceed the reasonable costs to process the amended license. (Pen. Code, § 26190, subd. (d).)

Any fiscal impact on local government is a result of the statute, and not the proposed regulations.

B. FISCAL EFFECT ON STATE GOVERNMENT

Department of Justice

Estimated Costs

The bill analysis provided by the Senate Appropriations Committee contained the following information regarding SB 2's fiscal impact on the Department:

Under the Department's 36-month timeline for planning and implementation of SB 2, the Application Development Bureau needs to collaborate with the impacted programs, and perform required changes to all impacted systems, including the Armed Prohibited Persons Systems (APPS), Assault Weapon Registration application, CCW system, Dealer Record of Sale (DROS), and the Prohibited Applicant Database. Numerous permanent positions and temporary consulting and information technology (IT) help hours are required to plan, perform analysis, design, develop, and implement IT solutions.

The Enterprise Services Bureau (ESB) needs to collaborate with the impacted programs to plan, oversee, and manage all project phases that include analysis, requirements specifications, design, implementation, testing, transition to production, project close-out, and post implementation. The ESB requires numerous permanent positions and temporary consulting and IT help hours. Numerous permanent positions are also required in the Criminal Record Update Program and the Criminal Record Expedite and Support Program.

The Cal-ID program requires numerous permanent Crime Analyst positions as well as overtime hours for comparison and verification of incoming electronic fingerprint images with existing department records for Subsequent CCW Licenses.

The Division of Law Enforcement (DLE) requires numerous limited term positions to process an increase in firearm reporting forms to require that a CCW applicant be the recorded owner of the firearm for which the license would be issued. Additional permanent positions are necessary for hearings related to disqualified persons determinations and background screenings.

The Department also anticipates an increase in litigation due to potential legal challenges to this bill. ... Although litigation costs are speculative, there have been a plethora of legal challenges to California's legislative efforts at gun control over the years, defended by the Attorney General.

The Department additionally anticipates hundreds of hours of overtime resources for IT enhancements, testing, or revising forms.

(Sen. Com. on Appropriations, Analysis of Sen. Bill No. 2 (2023-2024 Reg. Sess.) as amended March 1, 2023.)

Additional Calculations

Following the U.S. Supreme Court's decision in *New York State Rifle & Pistol Association, Inc. v. Bruen*, the issuance of CCW licenses has increased 37% for new applicants and 22% for renewal applicants. The increase in workload to the Department to process the background checks is a result of *Bruen* and SB 2, and not the proposed regulations.

The Department's decision to establish qualifications for CCW instructors has increased the workload to the Department, which is now tasked with reviewing the applications. The Department requested one additional Staff Services Analyst (SSA) to process these applications.

The cost of the SSA to the Department is \$122,434 for fiscal year 2024-25 and \$114,068 on-going for subsequent fiscal years.

POST, CHP, CDCR

The Department's regulations do not have any fiscal impact on the Commission on Peace Officer Standards and Training (POST), California Highway Patrol (CHP), or California Department of Corrections and Rehabilitation (CDCR).

Bureau of Security and Investigative Services (BSIS), Department of Consumer Affairs

BSIS states any fiscal impact is unknown at this time.