

**SUBJECT:** Revising fees for concealed handgun licenses

**COMMITTEE:** Law Enforcement — committee substitute recommended

**VOTE:** 6 ayes — Driver, Jackson, Hegar, Frost, Hupp, Veasey  
0 nays  
1 absent — Burnam

**WITNESSES:** For — Bill Elkin, Houston Retired Officers Association; Tara Reilly Mica, National Rifle Association; Alice Tripp, Texas State Rifle Association  
Against — None

**BACKGROUND:** Under Sec. 411.174(a) of the Government Code, the application and license for a concealed handgun license is \$140, payable to DPS. DPS currently charges \$70 for a renewal license.  
  
Sec. 411.195 of the Government Code requires DPS to reduce by 50 percent the fees for original, duplicate, and modified concealed handgun licenses for applicants who are at least 60 years old.

**DIGEST:** CSHB 1038 would reduce the original application and license fee for a concealed handgun license from \$140 to \$100, and the renewal fee from \$70 to \$50.  
  
The bill also would change the senior citizen discount from 50 percent to 30 percent and would extend the senior discount to include renewal licenses.  
  
The bill would take effect September 1, 2005.

**SUPPORTERS SAY:** CSHB 1038 would adjust the fee charged for a new and renewed concealed handgun license to better reflect the actual cost to DPS to implement the concealed handgun program. When the concealed handgun legislation was enacted in 1995, the fee was set at the level that it was

estimated was needed to cover the cost of the program, but it was not intended to produce excess revenue.

Since 1995, however, the program has produced a surplus and funds have been returned to general revenue. CSHB 1038 would reduce the original fee to \$100 and the renewal fee to \$50 so that income from the fee would adequately cover the program without generating excess revenue. The amount of revenue that would be generated with CSHB 1038 would be enough to continue to adequately run the program. Any loss of revenue over the excess that would have been turned back to the general revenue fund could be easily absorbed by the program's budget. It is unfair for concealed handgun licensees to fund other state services and programs.

CSHB 1038 also would reduce the fees for concealed handgun license renewals for senior citizens just as the fees are reduced for original, duplicate, and modified licenses for this age group. There is no reason why a person age 60 or older should be charged full-price for a license renewal when a person in that age range receives a discount on an original, duplicate, or modified license. Elderly Texans, many of whom live on fixed incomes, would appreciate the fee reduction.

**OPPONENTS  
SAY:**

CSHB 1038 could leave DPS strapped for funds to adequately operate the concealed handgun licensing program. The cost to DPS to issue a single concealed handgun license is \$132.88. CSHB 1038 proposes cutting the cost of such a license to only \$100. This amount would not even cover the cost to DPS of issuing the license. Taxpayers should not be forced to subsidize the costs of concealed handgun licenses.

The Legislature should do nothing that could increase the number of handguns in Texas. Reducing the application and license fee could lead to more people applying for concealed handgun licenses and, therefore, more people carrying concealed handguns.

According to the bill's fiscal note, CSHB 1038 would result in a loss of almost \$3.4 million in general revenue related funds during fiscal 2006-07. In view of current fiscal conditions and the budget reductions proposed for the coming biennium, the state cannot afford this loss of revenue.

**OTHER  
OPPONENTS  
SAY:**

Reducing the discount for seniors from 50 percent to 30 percent would be unfair. The purpose of CSHB 1038 is to reduce the fees for concealed handgun licenses, but seniors are actually having their discount reduced.

NOTES: HB 1038 as introduced would only have applied the senior citizen discount to renewals of concealed handgun licenses for seniors.