LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 1292
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 16, 2021

SUMMARY

Synopsis: Regulates sale of handgun ammunition and develops system for electronic reporting of firearm information.

Type of Impact: Annual expenditure increase to the General Fund.

Agencies Affected: Department of Law and Public Safety

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill's requirement that the Division of State Police develop and administer a program for retail dealers to electronically report transactions involving the sale, transfer, assignment, or disposition of a firearm or handgun ammunition, and to establish a searchable, secure electronic database containing that information, will result in an indeterminate annual State expenditure increase. Depending on the division's resource allocation policies, the initial and ongoing workload may or may not augment State administrative expenditures.

- The OLS anticipates potential State cost savings from the elimination of the current paper-based reporting processes.

BILL DESCRIPTION

The bill requires handgun ammunition manufacturers and dealers to keep a detailed, electronic record of handgun ammunition sales. The electronic record is required to contain certain information as detailed in the bill. The electronic records are required to be made available for inspection at all reasonable hours by any law enforcement officer.

In addition, every retail dealer is required to electronically report firearm, handgun, and handgun ammunition sales and transfers to the superintendent. The superintendent would be required to develop a program for retail dealers to electronically report this information. A

retail dealer of handgun ammunition may charge a fee not to exceed $5 for a transaction that is required to be electronically reported.

Under the bill, the superintendent is also authorized to develop an electronic process through which certain applications and permits can be obtained.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill's requirement that the Division of State Police develop and administer a program for retail dealers to electronically report transactions involving the sale, transfer, assignment, or disposition of a firearm or handgun ammunition, and to establish a searchable, secure electronic database containing that information, will result in an indeterminate annual State expenditure increase. The OLS also estimates that the bill could require the State to train manufacturers and wholesale and retail dealers of firearms and ammunition to use the electronic program and ensure compliance in maintaining electronic records, resulting in ongoing costs. Depending on the division's resource allocation policies, the initial and ongoing added workload may or may not augment State administrative expenditures.

The OLS anticipates potential State cost savings from the elimination of the current paper-based application and reporting processes. For example, handgun permits currently must be completed in quadruplicate and submitted to the superintendent, the chief of police of the buyer's municipality, the seller, and the purchaser. Under the bill, the superintendent is to develop an electronic system to process or facilitate the processing of certain firearm-related applications and permits, which could streamline the current process and reduce State administrative costs.

Section:	*Judiciary*
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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.).