

ATTACHMENT A

STD 399 Economic and Fiscal Impact Statement

Economic Impact Statement

Section A – Estimated Private Sector Cost Impacts

A.3

Number of Businesses Impacted

Per Penal Code sections 28215 and 28220, firearms dealers are required to inspect hunting licenses to confirm validity and report hunting license information to the Department for verification. According to the Department's records, as of January 22, 2024, there were 1,587 licensed firearms dealers in California. These numbers change daily, as new licenses are approved and old licenses expire. The Department estimates that the total number of businesses directly impacted by these regulations will be 1,587.

Although the Department does not have direct information regarding the business size of licensed firearms dealers, approximately 225 firearms dealers are one of four corporations: Bass Pro Outdoor World, Big 5 Sporting Goods, Sportsman's Warehouse and Turner's Outdoorsman. The remaining businesses have only one, two, or (rarely) three locations, and, if set up as corporations, have corporate headquarters in California (i.e., are "independently owned" and not "dominant in its field of operation"). Therefore, using the consolidated small business definition in Government Code section 11346.3, subdivision (b)(4)(B), as a guide, the Department estimates that approximately 1,362 licensed firearms dealers, or 86%, are "small businesses."

Section B – Estimated Costs

Any cost impact to businesses would be due to the additional time it will take to verify the hunting license and report the license information to the Department. The Department estimates that it will take five minutes to complete the verification and reporting. Assuming the additional staff time for a retail worker costs a minimum of \$16.00 per hour, the Department estimates that each verification of a hunting license and reporting the information to the Department will indirectly cost each firearms dealer an additional \$1.33 per report.

The Department recorded 13,361 firearm sales and transfers where a hunting license was utilized as an age exemption from January 1, 2021 to December 31, 2023, resulting in an average of 4,454 firearm sales and transfers. The Department has determined that the current number of these scenarios – approximately 4,454 each year – provides a reasonable approximation of the number of future scenarios each year.

There are 1,587 licensed firearms dealers in California, which means that the average firearms dealer will face the above scenario approximately three times a year (4,454/1,587). At current

wages, it will cost a firearms dealer \$3.99 in annual staff wages to complete the verification and reporting of the hunting license information.

Section D – Alternatives to the Regulation

The total statewide cost is estimated to be \$5,923.82 (\$1.33 per report * 4,454 firearm sales/transfers per year).

Fiscal Impact Statement

Section B - Fiscal Effect on State Government

Estimated Costs

1.0 Java Procedural Language to Extension Structured Query Language (PL/SQL) Consultant Developer (Beginning April 1, 2024 – October 1, 2025)

The Java PL/SQL Consultant Developer will design and build fields and validations in the Dealer Record of Sale (DROS) Entry System to capture new hunting license fields, coordinate with the Department of Fish and Wildlife (DFW) to provide a new interface to validate hunting licenses, and create new workflows for the Department to manually validate hunting licenses with DFW.

Consultant Rate: \$130/hour
2023-24: 293 Hours = \$38,090
2024-25: 1174 Hours = \$152,620
2025-26: 293 Hours = \$38,090
Total: \$228,800

1.0 Information Technology Specialist (ITS) II (Permanent, beginning April 1, 2023)

The ITS II will work in conjunction with consultant developers on implementation activities and provide post-production ongoing support to the new hunting license validation workflows and DFW interface. The ITS II will be responsible for working with consultant developers and helping with the design, development, and implementation activities. The ITS II will also provide ongoing developer support and maintenance for the new hunting validation workflows and DFW interface, and provide continued review of the application code across the systems impacted within the scope of this legislation and act as the subject matter expert for the technical implementation.

The annual salary for the ITS II is \$108,108.

2.0 Program Technician I and 2.0 Seasonal Clerks

2.0 Program Technician I and 2.0 Seasonal Clerks will send letters to inform attempted firearm purchasers of invalid hunting licenses via U.S. mail; thereby, causing the firearm purchase transaction to be rejected. The Department estimates it will take approximately one minute to gather the letters and mail each letter; however, the Department is unable to project how many times it would encounter an invalid hunting license. The cost to the Department for this workload and mail postage will be absorbed.

Total Costs

	FY 2023-24	FY 2024-25	FY 2025-26
Total Costs	\$146,198	\$260,728	\$146,198