



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to firearms; declaring an emergency.

Government Unit(s) Affected: Department of Corrections, Judicial Department, Cities, Department of Justice, Oregon Youth Authority, Counties, Department of State Police, Public Defense Commission, Department of Public Safety Standards and Training, Criminal Justice Commission, District Attorneys

Summary of Fiscal Impact

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|----------------------------|----------------------|---------------|-------------|---------------|----------------------|-----------|--------------|
| Department of State Police | \$ 14,619,535 | \$ - | \$ - | \$ - | \$ 14,619,535 | 32 | 27.80 |
| Total Fiscal Impact | \$ 14,619,535 | \$ - | \$ - | \$ - | \$ 14,619,535 | 32 | 27.80 |

| 2027-29 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|----------------------------|--------------|---------------|----------------------|---------------|----------------------|-----------|--------------|
| Department of State Police | \$ - | \$ - | \$ 11,629,174 | \$ - | \$ 11,629,174 | 28 | 28.00 |
| Total Fiscal Impact | \$ - | \$ - | \$ 11,629,174 | \$ - | \$ 11,629,174 | 28 | 28.00 |

Summary of Revenue Impact

Revenue related to the measure is indeterminate at this time - see explanatory analysis.

Measure Description

The measure repeals and modifies sections of Ballot Measure 114 that was approved by voters on November 8, 2022. The measure includes modifying the process for a person to apply for a permit to purchase a firearm or unfinished frame or receiver through their local law enforcement agency, with permits valid for a five-year period. Permit applicants must show proof of completing a firearm safety course, as described by the measure. The measure outlines the process for the permit application, including the permit agency entering the applicants name through the Law Enforcement Data System (LEDS), and for the Department of State Police (OSP) to conduct a criminal background check, including fingerprint identification through state and Federal Bureau of Investigation (FBI) databases. If the application is qualified through the background check process, the permit agents have up to 30 days after receiving an application to issue the permit. The measure increases the fee a permit agency may charge for this initial application process from \$65 to \$150 and increases the fee for permit renewal from \$50 to \$110. For both new and renewal applications, the portion of the fee payable to OSP to conduct the background check may not exceed \$48.

The measure defines unfinished frame or receiver and creates a new Class A misdemeanor apart from the initial ballot measure for firearm or unfinished frame/receiver transfers that occur without a valid permit to purchase, under certain circumstances. The measure expands circumstances when a person may be charged with the crime of failing to comply with the requirements for transferring a firearm or transferring a firearm at a gun

show, occurring on or after July 1, 2026, which is a Class A misdemeanor or Class B felony for prior related convictions.

In addition, the measure creates an affirmative defense for unlawful possession, use or transfer of a large-capacity magazine, if a person has permanently and voluntarily relinquished the large-capacity magazine to law enforcement, or a specified program, prior to the commencement of prosecution. The measure authorizes OSP to develop a system, as deemed necessary, for removal of specified information upon proof of sale or transfer of a firearm and specifies circumstances when a valid permit is not required for a firearm purchase from a gun dealer for transfer to a firearm purchaser occurring on or after July 1, 2026.

Finally, the measure provides that an individual may not be prosecuted for certain crimes regarding large-capacity magazines that occur while a court of law has an injunction barring enforcement of those certain crimes in Oregon. If the injunction is overturned or vacated by a state appellate court, then the conduct related to committing certain crimes regarding large-capacity magazines does not apply to licensed gun dealers and firearms manufacturers, under certain circumstances, occurring within 180 days after the date the injunction is overturned or vacated. The measure also provides that any action challenging the legality, including the constitutionality, of this measure, must be commenced in the Circuit Court for Marion County.

Fiscal Analysis

The fiscal impact is estimated to be \$14.6 million General Fund and 32 positions (27.80 FTE) in the 2025-27 biennium and \$11.6 million Other Funds and 28 positions (28.00 FTE) in the 2027-29 biennium. While Ballot Measure 114 (2022) is current law, the law has not been funded previously due to a court injunction challenging the law's constitutionality. Therefore, the fiscal impact reflects the funding to implement the law in addition to the changes of the measure.

Department of State Police

In estimating the fiscal impact, OSP reports that the Permit-to-Purchase (PTP) program directed by the measure differs enough from the existing Firearms Instant Check System (FICS) program that the agency will need to create a new standalone unit. Under the measure, staff will need to complete a background check for the application for the permit in addition to completing a background check every time a permit holder purchases a firearm, which is the work currently done today when an individual purchases a firearm. The new PTP program would consist of the following functions and staffing:

- **Information Technology:** The PTP program would require changes and updates to existing information technology systems and the creation of a new information technology system to track the PTP applications and determinations, and the firearms the permit holder has had transferred to OSP. OSP anticipates the need of one permanent full-time Information Systems Specialist 7 position (0.92 FTE in 2025-27 and 1.00 FTE in 2027-29) to support the IT systems. The estimated costs of this position, including standard position-related services and supplies costs, is one-time \$287,953 General Fund in the 2025-27 biennium and \$312,312 million Other Funds in the 2027-29 biennium. Additionally, OSP estimates \$4.1 million of anticipated expenses related to the required database. OSP reports that the majority of the database costs are one-time in 2025-27 the biennium, with an estimated \$1.2 million Other Funds biennial costs for ongoing maintenance and hosting.
- **Background checks:** PTP background checks differ from FICS background checks in several components, including PTP requiring a fingerprint-based background check, a required processing timeframe of 60-days, utilization of a gun registry and permit database. To address the expected workload, OSP anticipates the need of 15 permanent full-time Public Service Representative 4 positions (12.61 FTE in 2025-27 and 15.00 FTE in 2027-29) to process the background investigations required for a PTP and four limited duration full-time Public Service Representative 4 positions (4.00 FTE in 2025-27) to process the

initial surge of PTP applications. The estimated costs of these positions, including standard position-related services and supplies costs, is one-time \$3.4 million General Fund in the 2025-27 biennium and \$3.1 million Other Funds in the 2027-29 biennium.

- **Compliance and Reporting:** To support the implementation and data analysis of the PTP program, OSP anticipates the need of two permanent full-time Operations and Policy Analyst 3 positions (1.92 FTE in 2025-27 and 2.00 FTE in 2027-29) to guide implementation work, produce annual reports, ensure program compliance and data accuracy. The estimated costs of these positions, including standard position-related services and supplies costs, is one-time \$602,775 General Fund in the 2025-27 biennium and \$627,244 million Other Funds in the 2027-29 biennium. Additionally, OSP anticipates one-time \$2.6 million General Fund in services and supplies in the 2025-27 biennium, including \$350,000 in development and distribution of the quadruplicate forms used by permit agents and attorney general costs.
- **Program Administration:** With the increase in staffing and workload, OSP anticipates the need for four permanent full-time Office Specialist 2 positions (3.34 FTE in 2025-27 and 4.00 FTE in 2027-29) to assist with administrative support functions, two permanent full-time Business Operations Supervisor 1 positions (1.84 FTE in 2025-27 and 2.00 FTE in 2027-29) to provide staff supervision, and one permanent full-time Business Operations Manager 1 position (0.92 FTE in 2025-27 and 1.00 FTE in 2027-29) to provide oversight of the program. The estimated costs of this position, including standard position-related services and supplies costs, is one-time \$1.3 million General Fund in the 2025-27 biennium and \$1.5 million Other Funds in the 2027-29 biennium. Additionally, OSP anticipates one-time \$1.8 million General Fund in services and supplies in the 2025-27 biennium, including facility rental costs.

In addition, OSP anticipates that the Automated Biometric Identification System unit, an existing unit, will need three additional permanent full-time Fingerprint Technician positions (2.25 FTE in 2025-27 and 3.00 FTE in 2027-29) to perform the increased volume of fingerprint-based checks that are required under this measure. The estimated costs of these positions, including standard position-related services and supplies costs, is one-time \$439,563 General Fund in the 2025-27 biennium and \$566,085 Other Funds in the 2027-29 biennium.

The PTP program is expected to generate Other Funds revenue that the Department will collect per the permit application process. OSP reports that the statutory fee of \$48 maximum that the Department can receive for background checks on PTP applications and renewals will only cover the costs of the fingerprint criminal background check and not the administrative costs for processing the permits. Based on the prior 12 months of data of individuals purchasing a firearm through the FICS process, OSP notes there could be as many as 300,000 PTP applications in the 2025-27 biennium. Based on that assumption, at \$48 per background check, OSP would generate a total of \$14.4 million Other Funds expenditure limitation per biennium. Taking into consideration the \$12 per FBI background fee, that would leave OSP with an estimated \$10.8 million in Other Funds revenue. The fiscal impact assumes the program's costs will be able to be entirely fee-revenue supported in the 2027-29 biennium.

LFO notes, however, that the number of potential applicants for a permit is indeterminate. OSP cannot predict the cash flow for the PTP program, and if passage of the measure would result in a significant early surge of applicants that initially builds up fee revenue but that tapers off into relatively few per year, or if the applicant requests remain lower but relatively steady over time. In either scenario, if there is not enough fee revenue to support the program, given that permits are valid for five years, and a request to increase the statutory fee amount or a supplement of General Fund may be required.

Cities and Counties

The fiscal impact for cities and counties is indeterminate, including the current law under the ballot measure. With the requirement of local law enforcement and county sheriff's acting as the permit agency, depending on the volume of applicants in the respective city or county, those entities may need to develop and implement a permit application program which would require additional staffing and resources that would be paid for with the permit application and renewal fees received.

District Attorneys

The fiscal impact to the District Attorneys (DA) is indeterminate, including the current law under the ballot measure, but anticipated to be minimal. The new crime created by the measure and the elevation of the specified misdemeanor crime may result in additional charges being pursued and filed by prosecution.

Oregon Judicial Department

The fiscal impact for the Oregon Judicial Department (OJD) is indeterminate, including the current law under the ballot measure. With the requirement for an individual to apply for a PTP before acquiring a firearm, OJD anticipates an increase in court filings for petitions of those who had their application or renewal denied or revoked. These petitions must be filed within 30 days of the receipt of the notice of denial or revocation and the court must hear and dispose the petitions within 15 judicial days of filing. Additionally, the new crime created by the measure and the elevation of the specified misdemeanor crime may result in higher court costs. These additional court filings will be dependent, and variable, based on county enforcement of the new requirements. Under this measure, Marion County Circuit Court may also be impacted depending on the number of claims filed within the court challenging the measure's legality or constitutionality. OJD is unable to estimate the impact of the measure at this time, but the measure is anticipated to increase costs once actual caseloads are identified.

Public Defense Commission

The fiscal impact to the Public Defense Commission (PDC) is indeterminate, including the current law under the ballot measure. The new crime created by the measure and the elevation of the specified misdemeanor crime, as well as those defendants determined to be financially eligible for court-appointed counsel, may result in higher public defense costs. However, utilizing previous conviction data from CJC reflecting an average of five misdemeanor firearm transfers per year, PDC estimates the elevation of the specified misdemeanor crime to be an additional two Class B felony charges per biennium. PDC also estimates an additional two Class C felony charges per biennium regarding illegal transfer of firearms at gun shows. While PDC estimates the impact of the measure to be minimal, the actual number of eligible cases that do occur will be factored into future caseload forecasts by the Department of Administrative Services - Office of Economic Analysis.

Other entities

There is a minimal fiscal impact to the Department of Corrections and the Department of Justice and there is no fiscal impact to the Criminal Justice Commission, Department of Public Safety Standards and Training, and the Oregon Youth Authority.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The provisions regarding large-capacity magazines become operative on July 1, 2026 and apply to firearm transfers occurring on or after July 1, 2026.