

## FINANCIAL IMPACT ESTIMATING CONFERENCE

### INITIATIVE FINANCIAL INFORMATION STATEMENT SUMMARY

#### PROHIBITS POSSESSION OF DEFINED ASSAULT WEAPONS (19-01)

The Financial Impact Estimating Conference identified a number of impacts to Florida.

- State registry cost: Approximate costs are projected at \$4 million for startup and \$3 million per year for ongoing maintenance. The startup costs could be higher given the short period of time to activate the registry and the final design of the system.
- Reduction in workload and loss of state revenue due to fewer background checks: Background checks are conducted on a cost-recovery basis. The savings from the reduced workload and the revenue loss will operate in tandem and be budget neutral.
- Reduction in violent crime due to banning assault weapons which is offset by an increase in persons convicted of third degree felonies for possessing unregistered weapons: The countervailing pressures will produce an indeterminate impact on the criminal justice system, even as to direction; the net result in any given year could move between fewer admissions with savings to increased admissions with added costs.
- Increased workload on state and local law enforcement for startup and implementation: There will likely be minimal costs, but they cannot be quantified prior to legislative implementation.
- Sales tax loss associated with reduced sales of firearms, accessories, and ammunition: The direct loss of long gun sales is primarily based on assumptions regarding the percentage of rifles (a range from 50% to 71.6%) and shotguns (50%) that would be banned. In addition, sales of some accessories, especially scopes, are approximately equivalent to the value of lost gun sales. The impact on sales of ammunition, while negative, could not be quantified. Combined, state sales tax losses for these components will range between \$17.4 million and \$23.6 million, beginning with the first full year of implementation.
- Revenue loss related to out-of-state participants in hunting and competitive sports using long guns: The state sales tax loss for (1) competitive sports using long guns will be \$2.7 million, and (2) non-resident hunters will be \$54,000. These impacts will occur each year, beginning with the first full year of implementation and growing thereafter. The revenue loss for non-resident hunting license fees will range between \$270,100 and \$374,700 over the same period.
- Loss of Pittman-Robertson Federal Aid Wildlife Restoration funds: The loss of federal funds is estimated to range between \$31,800 and \$44,100 between 2021 and 2030.
- Impact on the State's Budget: As a result of the sales tax loss, the size of the state's budget will likely be reduced, but the change would be minimal (less than one-tenth of one percent).

The above results, plus the loss of revenue, income and jobs associated with (1) small arms manufacturing, both for private and defense-related purposes, and (2) hunting and shooting-related businesses, were used to determine the impact on the state's economy. The results indicate that relative to expectations in the absence of the amendment, impacts on Real Gross Domestic Product, Personal Income and Net Employment are each slightly negative. Overall, the economic analysis indicates a mildly contractionary impact on the state, even with the recoupment of some sales tax losses.