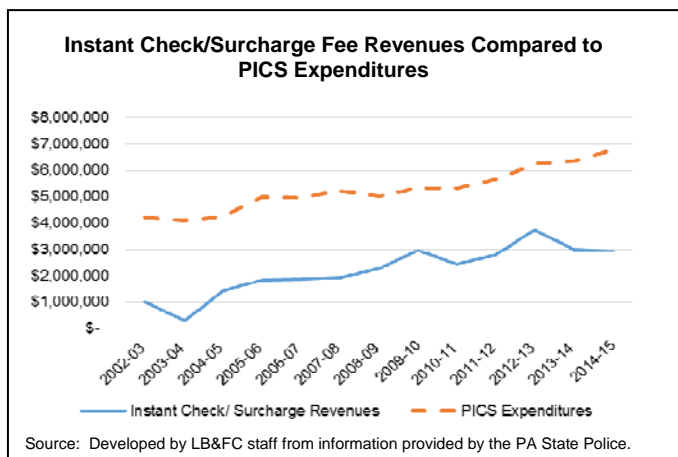


Report Highlights

Adequacy of Fees Charged in PA's Instant Check System for Gun Purchases

Act 1995-17 requires the LB&FC to assess the adequacy of the \$5 fee (\$2 instant check fee and \$3 surcharge fee) charged to conduct a background check when purchasing a firearm in Pennsylvania. This system, known as PICS (Pennsylvania Instant Check System), can conduct an immediate background check on individuals who attempt to purchase a firearm, receive a firearm through a transfer, or apply for a license to carry a firearm. PICS is operated by the Pennsylvania State Police (PSP). We found:

- **PICS underwent a major system upgrade in 2104.** This upgrade implemented a web-based option (previously the system was phone-based) that has eliminated busy signals and allows queuing and various automated and online management tools for dealers.
- **PICS handled 893,054 calls in 2014, 98% of which were approved during the first call.** Of those approved during the first call, 64% were approved through the phone or Web automated systems and 34% were approved after being transferred to an operator.
- **Of the 13,178 calls that were initially denied, 4,345 were challenged, resulting in 1,439 being reversed.** Pennsylvania's initial denial rate of 1.5% is the same as the national rate.
- **The \$5 instant check fee/surcharge has generated revenue averaging about 50% of PICS expenditures.** However, firearm fee revenues have been trending downward in the past 3 fiscal years (from \$3.7M in FY 2012-13 to \$2.9M in FY 2014-15) while PICS expenditures have been trending upward (from \$6.3M in FY 2012-13 to \$6.8M in FY 2014-15). The shortfall is covered by General Fund appropriations.
- **PA is one of 13 states that use a state agency to conduct its background checks.** These 13 states are known as Point of Contact (POC) states. In 35 states and territories, the FBI (NICS) performs the background checks at no cost to the customer. We found, however, that firearm dealers often charge additional administrative fees ranging from \$5 to \$50 in both POC and non-POC states.
- **Instant check fees in POC states range from no fee (in two states) to \$25 (Nevada).**
- **PICS has several advantages over having to rely on the federal system (NICS).** These include:
 - At any given time, about 1,300 to 1,400 Protection from Abuse (PFA) orders lack sufficient numeric identifiers (e.g., SS#) to be entered into national data files. These PFAs can, however, be used in PICS to prevent firearm purchases.
 - Federal policy requires firearms to be transferred after 3 business days if a potential denial situation cannot be resolved. As a POC state, PA is allowed additional time to re-search checks that cannot be resolved within this 3-day period.
 - PICS has been used to help capture 1,818 (as of 2014) fugitives attempting to acquire a firearm. It is unlikely that would have occurred if PA was not a POC state.
 - The PSP can use PICS to conduct checks for law enforcement agencies attempting to return confiscated firearms to ensure the owners are allowed to possess firearms. NICS cannot be used for this purpose. The PSP has conducted nearly 6,000 such checks.
 - In POC states, the decisions regarding who can possess a firearm are made at the state level, which many citizens prefer over having the federal government make these decisions.



- **To have fully funded the PICS program in FY 2013-14 and FY 2014-15, the \$5 combined instant check/surcharge fee would need to increase to approximately \$11.**