

THE ADEQUACY OF FEES CHARGED IN PENNSYLVANIA'S INSTANT CHECK SYSTEM (PICS) FOR FIREARMS PURCHASES

Report Highlights

During the 1995 Special Session on Crime, the General Assembly enacted legislation (Act 1995-17) requiring that the Pennsylvania State Police establish a system for conducting instant background checks on prospective firearms purchasers. The act also established a \$2 instant background check fee and a \$3 surcharge on each firearms sale. Every five years, the LB&FC is to review the need to increase or decrease the \$2 instant check fee and report its findings to the General Assembly.

- **PICS Characteristics.** The State Police activated Pennsylvania's Instant Check System (PICS) on July 1, 1998. This system uses an "Interactive Voice Response" System that provides for instantaneous access to an automated background check through a toll-free telephone number. The PICS computer searches both state and federal databases including 1.8 million criminal history and juvenile records, 107,713 mental health records, approximately 700,000 wanted person files, and federal files containing about 36 million criminal history records.
 - **Selected PICS Statistics.** During CY 1999, PICS conducted a total of 557,992 checks for sheriffs and firearms dealers throughout Pennsylvania. Fifty-eight percent of these calls were automatically approved through the PICS computer; the remaining 42 percent were forwarded to PICS operators for assistance. The overall approval rate for firearm background check transactions in 1999 was 98.0 percent.
 - **PICS Costs and Funding.** Between FY 1995-96 and June 30, 2000, the Pennsylvania State Police expended \$11.1 million to develop, implement, and operate PICS. The bulk of these costs were funded from the General Fund and from the \$3 surcharge on firearms purchases. The \$2 instant check fee did not go into effect until July 1998, and revenues from these fees totaled only \$1.7 million through June 30, 2000.
 - **Adequacy of the Instant Check Fee.** The law states that an individual requesting a background check be charged a fee "equivalent to the cost of providing the service," but not to exceed \$2. We found that the maximum \$2 fee provided for in law is not adequate to cover the costs incurred by the State Police in providing the instant background check service. During CY 1999, PICS processed 557,992 telephone inquiries at a cost of \$3,687,938. This is an average cost of \$6.61 per call, more than three times the current \$2 fee. Because fee revenues have not been sufficient to fully fund the Instant Check System, the State Police have had to supplement fee revenues with General Fund monies each year since PICS became operational.
 - **Audit of Firearms Dealer Accounts.** The State Police does not have a firearms dealer compliance/audit program to monitor firearms dealer compliance with the Uniform Firearm Act, including the instantaneous background check program.
- Recommendations:** Because fee revenues alone have not been sufficient to fully fund PICS, the General Assembly should consider the following options:
- ❖ **Option A:** Leave the current \$2 instant check fee unchanged and continue to supplement fee revenues (from both the instant check fee and the \$3 firearm purchase surcharge) with General Fund monies.
 - ❖ **Option B:** Increase the current \$2 instant check fee to \$9.50. When used in combination with revenues from the \$3 firearm surcharge, this fee would generate enough revenue to fully fund PICS costs without supplemental funding from the General Fund.
 - ❖ **Option C:** Increase the current \$2 instant check fee to \$12.50. This would generate enough revenue to fully fund PICS costs without supplemental funding from either the \$3 firearm surcharge or the General Fund.
- Also, the State Police should establish a special "audits and compliance unit" to audit firearm dealers' accounts and ensure that the dealers are in compliance with the law and are remitting the required fees.