

## Report Highlights

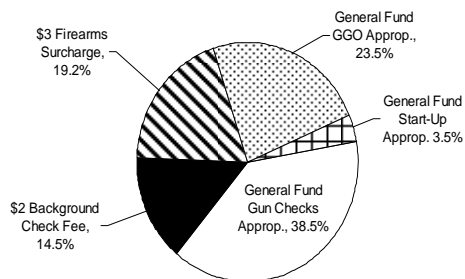
### The Adequacy of Fees Charged in Pennsylvania's Instant Check System (PICS) for Firearms Purchases

**PICS Overview:** Act 1995-17 of the 1995 Special Session on Crime required the Pennsylvania State Police (PSP) to 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 adequacy of the \$2 instant check fee and report its findings to the General Assembly.

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 criminal histories, mental health records, juvenile records, and wanted person files. PA operates as a point-of-contact (POC) state (i.e., it serves as an intermediary between firearms licensees and the National Instant Criminal Background Check System (NICS).

#### Findings:

- 1. During CY 2004, firearms dealers and county sheriffs made 529,133 calls to PICS associated with the sale or transfer of 392,809 firearms and the issuance of 107,185 license to carry permits. The overall denial rate for background checks was 1.7 percent.
- 2. Although PICS was to be largely self-supporting, the \$2 PICS fee and \$3 surcharge together generate less than one-half of the \$4.2 million needed each year to fund the program.
- 3. During the program's 10-year history, about two-thirds of PICS revenues have come from the General Fund.



By placing primary reliance on the General Fund, the PSP has been able to build a \$4.4 million reserve in the Firearm Records Check Fund.

- 4. The Governor's Budget Office has, however, discontinued General Fund line-item funding for PICS; the report estimates that, without a fee increase and/or additional state funding, revenues from existing fees and the reserve will not

be sufficient to fully fund PICS beyond mid-FY 2006-07.

- 5. Deficiencies in the PICS computer system are hampering program administration and accountability (e.g., backlogs remain in reconciling dealer accounts). The PSP has requested \$5.3 million in funding for a complete system redesign and upgrade.

#### Recommended System/Fee Options:

In order to continue operating as a POC state, the Legislature will need to increase the instant background check fee and/or restore General Fund support for PICS. A complete redesign and upgrade of the PICS computer system is also needed. The report states that:

- in the absence of renewed General Fund support, the current \$2.00 instant check fee will need to be increased to from \$8.75 to \$11.50 per check, not including computer system upgrade costs. (The PSP also advocates an increase in license to carry permit fees and dealers' license fees to assist in funding PICS.)
- the alternative would be to discontinue PICS and have firearm dealers contact the NICS directly to conduct background checks. Since 2000, four states (AZ, GA, IN, VT) have chosen this alternative. While PA could reduce costs by taking such action, records transfer and other problems associated with such a changeover would, in at least certain cases, diminish the comprehensiveness of the background check process.