



Date: July 14, 2015
To: Members of the Education and Governance Committee
From: Mark Baird, Council Central Staff
Subject: Proposed Firearms Legislation

On July 15, the Education and Governance Committee will discuss two pieces of legislation proposed by Council President Burgess that focus on improving gun safety in Seattle. One is a proposed ordinance that would create a gun violence tax on the sellers of firearms and ammunition in Seattle and the other is a proposed ordinance that would require individuals to report a lost or stolen firearm. This memo summarizes the two bills.

1. Gun Violence Tax on the Sellers of Firearms and Ammunition

The proposed legislation establishes a gun violence tax on the sellers of firearms and ammunition in Seattle. Firearms dealers would pay \$25 for every firearm sold and \$0.05 for every round of ammunition sold in the City of Seattle. It amends various Sections in Chapter 5 of the Seattle Municipal Code (SMC); and would add a new Chapter 5.50 – Firearms and Ammunition Tax - that establishes a number of definitions, creates the \$25 per firearm sold business license tax, and outlines that taxpayers would file and pay the firearms and ammunition tax as they pay their business taxes (either quarterly or annually).

It also provides for several exemptions. The taxpayer may deduct from the computing of the tax all firearms or ammunition that the taxpayer delivers to the buyer or buyer’s representative outside the State, when the sale is to an office, division or agency of a government entity, or any sale involving antique firearms. Additionally, those who sell no more than one firearm or fewer than 50 rounds of ammunition within the City in a quarterly tax reporting period are except from the tax.

2. Mandatory Reporting of Lost or Stolen Firearms

The proposed legislation would add a new Chapter 10.78 to the SMC that would require individuals who own or who were in possession of a firearm to make a report to the police if the firearm was lost or stolen. It requires the reporting to take place within 24 hours of discovering the loss or theft and that, to the extent known, the report should include:

1. The caliber, make, model, manufacturer, and serial number of the firearm;
2. Any distinguishing number or identification mark on the firearm; and
3. The circumstances of the loss or theft including the date, place, and manner in which the firearm was lost or stolen.

The failure to comply with this reporting requirement would result in a civil infraction subject to a civil fine or forfeiture in accordance with Section 12A.02.080.

The legislation also requires the Seattle Police to enter the reported information into the National Crime Information Center Database (NCIC).

Implementation Issues and Fiscal Implications of the Proposed Legislation

The proposed firearms and ammunition tax could offer the opportunity to fund gun safety, harm reduction, and public health related research or programs. The City Budget Office estimates that the firearms and ammunition tax could generate between \$300,000 and \$500,000 per year.

Rifle prices of various calibers range from approximately \$300 to \$700. Common popular handguns typically range in price from \$400 to \$600 each. They represent significant purchases and the proposed \$25 firearms and ammunition tax could be added to these figures. Reliable numbers pertaining to the purchase of firearms in the City are not available. A box of 50 rounds of various calibers of ammunition costs between \$20 and \$23. The \$0.05 firearms and ammunition tax would equate to a tax of \$2.50 per box of ammunition. Here again accurate figures on how much ammunition is purchased in the City are not available.

The proposed mandatory reporting legislation is similar to laws in approximately 11 states (Connecticut, Delaware, District of Columbia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, and Rhode Island) in some fashion or other.¹ A municipal example of this type of ordinance is found in Sacramento, California. In 2007 the City of Sacramento enacted legislation that required firearms owners to report lost or stolen firearms to the local police within 48 hours when the person knew or should have known that the firearm was lost or stolen. A violation of this requirement is a misdemeanor.² For entities that have this reporting law the time requirement for reporting a lost or stolen firearm ranges from 24 to 72 hours. The penalty for failing to report ranges from being a civil infraction to a misdemeanor or the loss of the ability to own a firearm for some number of years.

It is difficult to determine what, if any, additional fines would be generated from the mandatory reporting civil infraction fines. The goal of this legislation is to encourage the reporting of the appropriate information for a lost or stolen firearm, not fine those who fail to report.

These two pieces of legislation were proposed together but are independent. One does not need the other in order to achieve its policy objective.

If you have questions about the information contained in this memo or other questions related to the proposed legislation, please contact Mark Baird (4-5509).

¹ Law Center to Prevent Gun Violence. (2013, August 21). Reporting Lost or Stolen Firearms Policy Summary. Retrieved from <http://smartgunlaws.org/reporting-lost-or-stolen-firearms-policy-summary/>

² Sacramento, Cal., Municipal Code § 9.32.180