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Office of Research
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Office

S.B. 58
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 58's Bill Analysis](#)

Version: As Reported by Senate Veterans and Public Safety

Primary Sponsors: Sens. Johnson and Gavarone

Local Impact Statement Procedure Required: No

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Highlights

- The bill should have no direct fiscal effect on political subdivisions, as there do not appear to be any political subdivisions currently in violation of the prohibition against firearm liability insurance or fees.
- The bill has no direct fiscal effect on the state.

Detailed Analysis

The bill: (1) prohibits a political subdivision from requiring an individual to possess firearm liability insurance or pay a fee for the possession of a firearm, parts, components, ammunition, or a knife, and (2) permits a person, group, or entity who is adversely affected by such a requirement to bring a civil action against a political subdivision.

Prohibition

LBO is unaware of any political subdivision in Ohio that currently requires firearms liability insurance or fees. This suggests that the bill's prohibition should have no direct fiscal effect on political subdivisions, as no regulatory or enforcement costs are currently being incurred nor fees collected. Nationally, only two jurisdictions are known to have enacted such requirements (at the time of this writing).

San Jose

Available evidence suggests that, nationally, the city of San Jose, California was the first and only local government to require firearm liability insurance and an annual gun fee. These requirements, passed in January 2022, provide exemptions for peace officers, concealed weapon licensees, and financial hardship. Challenges to both requirements are being actively litigated in the U.S. District Court for the Northern District of California.

The annual fee, tentatively set at \$25, is expected to generate an estimated \$1.3 million annually.¹ Based on the 2021 U.S. Census Bureau estimate, San Jose has a population of 1,013,240. The city estimates 15% of households (between 50,000 and 55,000 of about 325,000 households) own guns.²

New Jersey

In December 2022, New Jersey became the first state in the nation to require all concealed carry permit holders to maintain and provide proof of liability insurance with coverage for at least \$300,000 on account of injury, death, or damage to property arising out of ownership, maintenance, operation, or use of a firearm.³ The state's new gun law was subsequently challenged, with a federal judge issuing a pair of orders blocking parts of the law from being enforced.⁴ This challenge is being actively litigated in the U.S. District Court for the District of New Jersey.

Civil action

The bill permits a person, group, or entity adversely by the affected by such manner of conduct to bring a civil action against the political subdivision seeking damages, declaratory relief, injunctive relief, or a combination thereof. In addition to any damages awarded against the political subdivision, the bill specifies the circumstances wherein the court is required to award reasonable expenses to the plaintiff(s) to be paid by the political subdivision. This provision should have no direct fiscal effect on political subdivisions, as there do not appear to be any political subdivisions currently in violation of the prohibition against firearm liability insurance or fees.

Gun ownership statistics for Ohio

There is limited reliable data on the extent of gun ownership in Ohio. Bulleted below are some of the available gun statistics for Ohio which may provide some context on the bill's potential impact.

- The RAND Corporation published a 2020 study on adults who reported owning at least one gun.⁵ According to the study, 40% of adults in Ohio have at least one firearm at home.
- Every year, the Bureau of Alcohol, Tobacco, and Firearms (ATF) publishes a list of federally registered weapons by state. It covers only a subsection of weapons – short-barreled

¹[“San Jose asks judge to toss challenge to gun insurance law,”](#) is available on Reuters website at [Reuters.com](#).

²[“The nation’s first law requiring gun owners to have liability insurance may affect less than you think,”](#) is available on CNN’s website at [CNN.com](#).

³ [“Governor Murphy Signs Gun Safety Bill Strengthening Concealed Carry Laws in New Jersey in Response to Bruen Decision,”](#) is available on the New Jersey Governor’s website at [nj.gov](#) under “News.”

⁴ [“N.J. withdraws threat of appeal in federal challenge of gun law,”](#) is available on the New Jersey Monitor’s website at [newjerseymonitor.com](#).

⁵ [“State-Level Estimates of Household Firearm Ownership,”](#) is available on Rand Corporation’s website at [rand.org](#).

shotgun, short-barreled rifle, machinegun, destructive device, silencer, and “other weapons” – but does not include ordinary pistols.⁶ For Ohio, as of May 2021, the ATF reported 208,661 total registered weapons.

- In Ohio in 2021, there were 202,920 concealed carry licenses issued and roughly 700,000 active licenses statewide.

⁶ “[Firearms Commerce in U.S., Annual Statistical Update 2021](#),” is available on the Bureau of Alcohol, Tobacco, Firearms and Explosives’ website at [atf.gov](https://www.atf.gov).