

Act 1995-17: Adequacy of PICS Fees

Released: 3/18/2026

Act 1995-17 (Act 17) directs the Legislative Budget and Finance Committee (LBFC) to assess, every five years, the need to increase or decrease the fees imposed through the Pennsylvania Instant Check System (PICS). This study is the LBFC's sixth report under this legislative mandate. Key highlights from this study include the following:

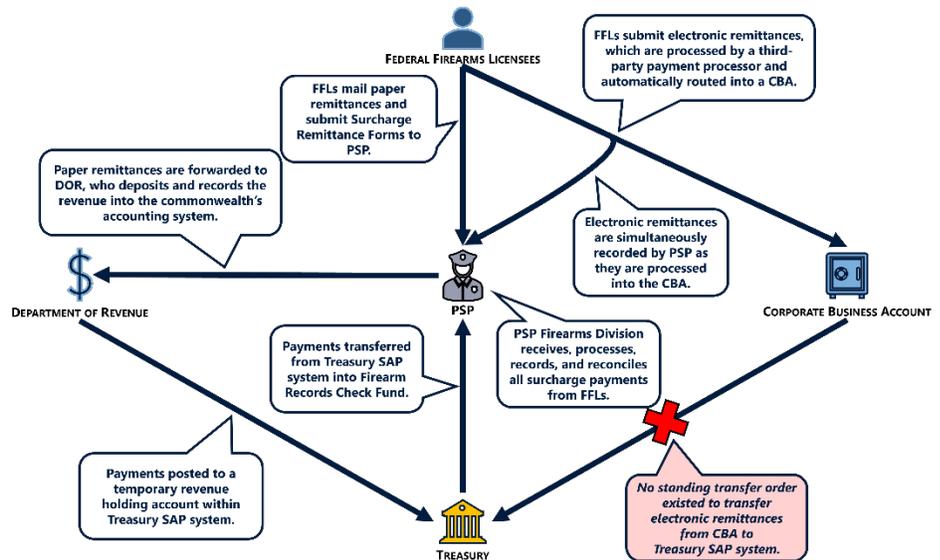
- ❖ **We found that PICS' financial statements did not include revenue from electronic payments for background checks, resulting in the exclusion of nearly \$14.5 million from the Firearm Records Check Fund (fund) since fiscal year (FY) 2013-14.** Including income from electronic payments alongside paper remittances (e.g., cash and checks) would have increased the fund's revenue by more than 100 percent in each year since FY 2021-22.

- ❖ **Several operational oversights in the Pennsylvania State Police's (PSP) internal remittance and financial administration processes contributed to the exclusion of electronic payments from the fund for 12 years.** Most notably, a breakdown in internal controls led to the omission of a standard transfer order to send payments from the agency's corporate business account (CBA) into the state Treasury's Systems, Applications, and Products in Data Processing (SAP) network.

- ❖ **The PSP took several corrective actions to address the exclusion of electronic payments from the fund and to prevent it from recurring following the internal reconciliation of program revenue prompted by LBFC's inquiry.** While it is encouraging that PSP acted quickly to implement new internal controls after discovering funds that were not properly transferred, we cannot yet assess their effectiveness.

- ❖ **We propose two changes to the Uniform Firearms Act (UFA) for the General Assembly's consideration following the discrepancies surrounding PICS' remittal process.** First, we recommend that the General Assembly consider amending Section 6111.2 of the UFA to require the LBFC to include a performance audit of PSP's remittance process and procedures as part of its 2030 review of PICS fees. We also recommend that the General Assembly consider amending Section 6111.1(i) of the UFA to require PSP to include PICS surcharge revenue and program expenditure data as part of its Firearms Annual Report.

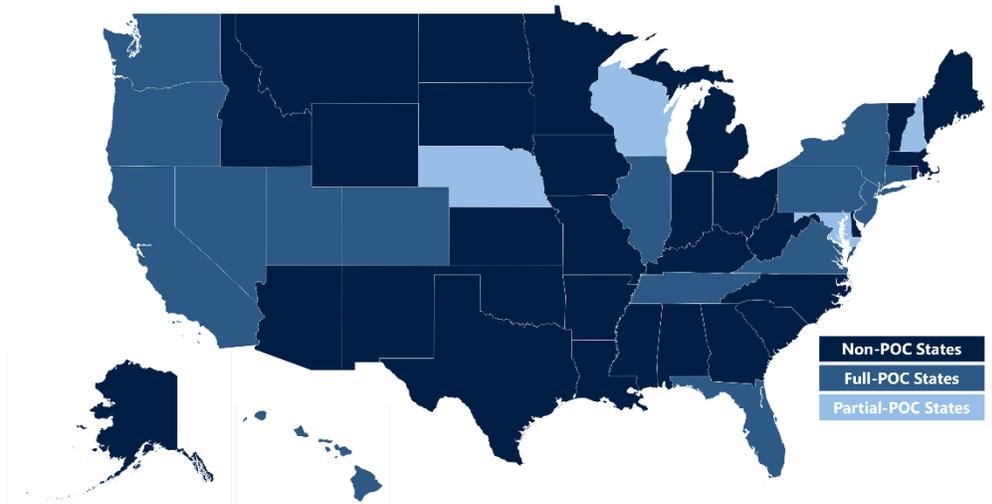
- ❖ **PICS expenditures rose by 51 percent during our review period, totaling approximately \$12.3 million in FY 2024-25.** The increase was primarily driven by personnel services, which constituted 97 percent of PICS spending over the previous five years. Most notably, the PSP increased its authorized staffing complement by 43 percent in calendar year 2022 to help ensure that PICS background check wait times meet the statutory requirements outlined in Act 17.



- ❖ **PICS background check fees accounted for less than one-third of the program's spending in FY 2024-25.** The revenue generated by the \$5 surcharge for the fund has remained relatively stable over the last decade, resulting in PICS spending outpacing surcharge revenue.

- ❖ **We recommend that the General Assembly consider amending the UFA to enact a one-time increase of the PICS fees to \$17.50 and include language that will authorize an automatic adjustment of the surcharge rate commensurate with inflation every three years.** Even considering the inclusion of electronic remittances to the fund, the current \$5 surcharge has not been sufficient to fully fund PICS for well over a decade. The fees for background checks have not increased since the implementation of PICS in 1998, and we expect the surcharge to continue to fall short of program spending in the future.

- ❖ **In 2024, 2,866 licensed firearms dealers accounted for a total of 802,066 firearms sales and transfers in Pennsylvania.** Of these sales and transfers, 430,643 were handguns, 345,036 were long guns, and 26,387 were frames/receivers.
- ❖ **Of the nearly 1.1 million background check inquiries in 2024, 96.1 percent received approval during initial contact with PICS.** Nearly 63 percent of all inquiries were automatically approved via PICS' Interactive Voice Response (IVR) phone or Flexcheck web-based systems. Approximately one-third of inquiries were approved with the assistance of a PICS operator. On average, automatic approvals took less than one minute in 2024, while inquiries with operator assistance required 14 minutes and 46 minutes for IVR and Flexcheck, respectively.
- ❖ **In 2024, the PSP recorded 3,246 arrests of individuals who provided false information during a PICS background check, resulting in 2,017 convictions.** The number of arrests and convictions for falsifying information increased dramatically in 2024 compared to previous years, largely due to the federal grant funding the PSP received from the NICS Act Record Improvement Program. The grant funding helped the PSP process additional firearms investigations and conduct follow-up reviews of previously referred cases with unreported or pending dispositions.
- ❖ **Pennsylvania was one of 15 full-point of contact (POC) states in 2024.** The federal Brady Handgun Violence Prevention Act of 1994, which created the National Instant Criminal Background Check System (NICS), provides states the autonomy to process their own background checks for firearm purchases and transfers.
- ❖ **The fees to purchase firearms in full-POC states for first-time gun buyers vary significantly, from as low as \$2 to as high as approximately \$237, excluding the cost of the firearm.** The process to verify firearms purchases in full-POC states varies across the country, as states have different fee structures and requirements for gun buys (permits, fingerprinting, safety training, etc.).



Our report recommendations include:

1. We recommend that the General Assembly should consider amending Section 6111.2 of the Uniform Firearms Act to require the LBFC to include a performance audit of PSP's remittance process and procedures as part of its 2030 review of PICS fees.
2. We recommend that the General Assembly should consider amending Section 6111.1(i) of the Uniform Firearms Act to require the PSP to include PICS surcharge revenue and program expenditure data as part of its Firearms Annual Report.
3. We recommend that the General Assembly should consider amending the Uniform Firearms Act to enact a one-time increase of the PICS fees to \$17.50 and include language that will authorize an automatic adjustment of the surcharge rate commensurate with inflation every three years.