

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 318** HLS 15RS 1076

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 9, 2015	3:34 PM	Author: PONTI
Dept./Agy.: Financial Institutions		Analyst: Travis McIlwain
Subject: Pawnbrokers		

FINANCIAL INSTITUTIONS EN +\$27,150 SG RV See Note
Provides relative to licensing fees for pawnbrokers

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Proposed bill decreases the pawnshop license fee from \$1,000 to \$750. Proposed bill causes the fees imposed to be nonrefundable by removing the requirement that the commissioner return to the applicant all licensing fees upon denial. Proposed bill increases the annual pawnbroker renewal fee from \$300 to \$450.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$27,150	\$28,200	\$29,250	\$30,300	\$31,350	\$146,250
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$27,150	\$28,200	\$29,250	\$30,300	\$31,350	\$146,250

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed bill is anticipated to result in a projected revenue increase of approximately \$28,000 in FY 16 increasing in subsequent fiscal years up to approximately \$32,000. This legislation impacts pawnbrokers and decreases the new application fee \$250 (from \$1,000 to \$750) and increases the license renewal fee by \$150 (from \$300 to \$450). The revenue projection is based upon the average number of new applications per year (12), the current number of licensees (201) and a typical 98% license renewal rate of pawnbroker license holders. See calculations below.

- FY 16: (201 x \$150) - (12 x \$250) = \$27,150
- FY 17: (201 + 12) x 98% = 208; (208 x \$150) - (12 x \$250) = \$28,200
- FY 18: (208 + 12) x 98% = 215; (215 x \$150) - (12 x \$250) = \$29,250
- FY 19: (215 + 12) x 98% = 222; (222 x \$150) - (12 x \$250) = \$30,300
- FY 20: (222 + 12) x 98% = 229; (229 x \$150) - (12 x \$250) = \$31,350

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|---|--|--------------------------------|--|
| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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Chief Economist