LEGISLATIVE FISCAL OFFICE **Fiscal Note**



SB **182** SLS 23RS Fiscal Note On:

Bill Text Version: ORIGINAL

Opp. Chamb. Action: Proposed Amd .:

Sub. Bill For .:

Date: April 25, 2023

6:40 AM

Author: CONNICK

Analyst: Kimberly Fruge

Dept./Agy.: Statewide

Subject: Secondhand Dealers

OR SEE FISC NOTE LF EX

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COMMERCIAL REGULATIONS Increases penalties for violations relative to the purchase of junk or used or secondhand property. (8/1/23)

Proposed law increases the penalty for licensed secondhand dealers who violate the provisions of the secondhand dealers' statute or for unlicensed secondhand dealers from \$250-\$500 or 30-60 days imprisonment to \$2,500-\$5,000 or not more than two years imprisonment, for the first offense. For a second offense, monetary penalties increase to \$2,500-\$5,000 as well, but imprisonment increases to a range of two to five years.

For unlicensed secondhand dealers, proposed law increases the penalties for third or subsequent offense to \$5,000-\$10,000 or imprisonment for five to ten years.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	SEE BELOW					
Annual Total						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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	SEE BELOW					
Annual Total	SEE BELOW					

EXPENDITURE EXPLANATION

There will be an increase in local expenditures to the extent a person is convicted of violating the provisions associated with the secondhand dealers' license or acts as a secondhand dealer without a license and is imprisoned with or without hard labor for not more than two years (first offense), between two to five years (second offense), or between five to ten years (third or subsequent offenses). The expenditure increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender.

Given these are parish-wide permits, the LFO assumes offenders will be sentenced and housed at the local level. Local funds will increase by \$26.39 per day for offenders housed in a local facility. An offender sentenced to the custody of a local facility would increase expenditures by \$9,932.35 (\$26.39 per day x 365 days).

REVENUE EXPLANATION

Proposed law will likely result in an indeterminable increase in local revenues as a result of potential fines for violating the provisions associated with the secondhand dealers' license or acting as a secondhand dealer without a license. Fines range from \$2,500 to \$5,000 for first and second offenses and from \$5,000 to \$10,000 for third or subsequent offenses. The exact fiscal impact of the passage of this legislation on local revenue is indeterminable as it is unknown how often these fines are assessed. The potential revenue will accrue to the local governing authority.

<u>Senate</u> 13.5.1 >=	<u>Dual Referral Rules</u> \$100,000 Annual Fiscal Cost {S & H}	House $6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	Evan	Brasseaux
13.5.2 >= \$500,000 Annual Tax or Fee		6.8(G) >= \$500,000 Tax or Fee Increase	Evan Brasseaux Interim Deputy Fiscal Officer	