



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4090 As signed by the Governor on June 9, 2016
Author: Bedingfield
Subject: Pawnbrokers
Requestor: House of Representatives
RFA Analyst(s): Wren and Gardner
Impact Date: July 1, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill as amended would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on May 31, 2016

State Expenditure

This amendment removed Section 49-39-25, which provided that no person other than a pawnbroker who holds a certificate of authority may present himself to be a pawnbroker. Also, Section 40-39-20(F), which provided that a pawnbroker may not employ a person who has been convicted of a felony, was deleted. Additionally, the amendment changes who must pay the pawnbroker in situations where leased property is sold or pledged to a pawnbroker and recovered later by the actual property owner. The expenditure impact of the bill as amended is unchanged from the bill as amended by the House on February 11, 2016.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Explanation of Amendment by the House on February 11, 2016

State Expenditure

This bill adds Section 40-39-25 to provide that no person other than a pawnbroker who holds a certificate of authority may present himself to be a pawnbroker, either through advertising, soliciting, signs, or otherwise. This bill also add Section 40-39-55 to provide that effective July 1, 2021, and each fifth July first thereafter, the dollar amounts in Section 40-39-40(1) and the dollar amounts concerning loans in Section 40-39-100 must be adjusted by the Department of Consumer Affairs to reflect the percentage change for the five-year period in the Consumer Price Index. The dollar amounts may not change more than ten percent for each adjustment period. Also, Section 40-39-145 has been added to provide that an appropriate law enforcement official may place a written hold order on property that is in the possession of a pawnbroker and that is believed to be misappropriated or stolen. This bill amends Section 40-39-20, which provides that a pawnbroker applicant is responsible for conducting, documenting, and attesting that a criminal records check has been completed for all employees or must submit consent from each employee to a national criminal records check. Applicants are responsible for the costs associated with the criminal history background checks. Currently, the law enforcement agency having jurisdiction where a pawnbroker applicant intends to do business is responsible for conducting criminal background investigations on the applicant. Further, a pawnbroker may not employ a person who has been convicted of a felony within ten years of the individual's application for employment. This bill also amends Section 40-39-50, which increases the amount of the bond an applicant must assign to the Department of Consumer Affairs from \$5,000 to \$15,000. Additionally, Section 40-39-100 has been amended to increase the loan amount a pawnbroker may make from \$2,000 to \$15,000. This bill also amends Section 40-39-150 to provide that the administrator of the Department of Consumer Affairs may issue an administrative order imposing administrative penalties upon persons violating any of the provisions of this chapter. Currently, only an administrative law judge may impose these penalties.

Department of Consumer Affairs. The department indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

Administrative Law Court. The department indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

South Carolina Law Enforcement Division. The department indicates that this bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director