



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0810 Signed by Governor on May 17, 2018
Author: Hembree
Subject: Pawn Transactions
Requestor: Senate
RFA Analyst(s): Heineman and Gardner
Impact Date: June 14, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
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	Undetermined	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds of the Department of Consumer Affairs or the Judicial Department since this bill does not fiscally or materially impact the activities of these agencies.

The Revenue and Fiscal Affairs Office anticipates this bill will have no expenditure impact on county and municipal law enforcement departments since accessing records via an electronic database can be managed within existing resources.

This bill will have an undetermined expenditure impact on magistrate and municipal courts since there is no data available to estimate the number of hearings or trials that may be initiated.

Explanation of Fiscal Impact

Signed by Governor on May 17, 2018

State Expenditure

This bill requires a pawnbroker to keep a record of each item being pawned using a digital photograph of the item as part of the item's account. Pawnshops operating in South Carolina must provide records of pledged items by electronic data transfer to a database system accessible by law enforcement and approved by the Department of Consumer Affairs.

In addition, this bill removes requirements that a pawnbroker must put a hold order on property that is misappropriated or stolen and replaces those requirements by permitting South Carolina law enforcement officials to seize misappropriated or stolen property. Law enforcement must

hold seized property for ten days before it is released to an innocent owner. During the ten day period, a pawnbroker may file an action for the claim and delivery of the seized property. In addition, a pawnbroker who releases property to law enforcement must be listed as a victim on all transmitted reports and case files. The release of the property to the custody of the appropriate law enforcement officials is not considered a waiver or release of the pawnbroker's property rights or interest in the property. Upon completion of the criminal proceeding involving the property identified as stolen, the court additionally will order the conveying customer to pay restitution to the pawnbroker in the amount received by the conveying customer for the property.

Department of Consumer Affairs. The department indicates that this bill does not fiscally or materially impact the activities of the office. As such, the bill will not have an expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

Judicial Department. This bill revises certain statutes and adds a new Section to Chapter 39 of Title 40 governing pawnbrokers. The department indicates the offenses in this bill will be handled in magistrate and municipal courts, and is expected to increase the caseload within those courts. As such, this bill is not expected to have an expenditure impact on the Judicial Department. Additional costs to the magistrate and municipal courts are discussed below.

State Revenue

N/A

Local Expenditure

This bill requires pawnshop owners to provide all records of pledged items by electronic data transfer to a database system that is accessible to law enforcement.

The Revenue and Fiscal Affairs Office (RFA) contacted twenty-three counties and the Municipal Association of South Carolina (MASC) regarding the expenditure impact of this bill. Charleston County indicates there would be a minimal cost to receive pawn records electronically. Lancaster County indicates there would be no cost to receiving pawn records electronically. The MASC indicated there would be no expenditure impact. Based on the responses received, RFA anticipates there would be a minimal expenditure impact to counties and municipalities to access records via an electronic database; however, we anticipate this can be managed within each departments existing resources. Therefore, this bill will not have an expenditure impact on local law enforcement.

Magistrate and Municipal Courts. A pawnbroker that knowingly and intentionally violates the record keeping and electronic data transfer provisions of Section 40-39-90 is guilty of a misdemeanor and upon conviction, must be fined not more than \$500 or imprisoned not more than thirty days, or both. A violation of the provisions of Chapter 39 of Title 40 are triable in magistrate or municipal courts which is expected to increase the caseload within these courts. However, there is no data available to estimate the number of hearings or trials that may be initiated. As such, the expenditure impact of this bill is undetermined.

Local Revenue

N/A



Frank A. Rainwater, Executive Director