

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 28, 2003

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2000 by Gutierrez (Relating to persons eligible for a pawnshop license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2000, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2004	\$46,500	(\$46,500)
2005	\$46,500	(\$46,500)
2006	\$46,500	(\$46,500)
2007	\$46,500	(\$46,500)
2008	\$46,500	(\$46,500)

Fiscal Analysis

The bill would require all pawnshops to reprove eligibility each year at renewal time.

Methodology

The Office of Consumer Credit Commissioner would be required to verify financial statements, ownership, insurance, and other eligibility requirements each year. This could be accomplished by contracting with an accounting/auditing firm during the renewal period. The agency estimates each review would take 1.5 hours to complete for each of the 775 pawnshop entities operating within Texas at an average hourly contract rate of \$40, totaling \$46,500.

It is assumed the agency would adjust fees to offset any additional cost associated with implementing the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 466 Office of Consumer Credit Commissioner

LBB Staff: JK, JRO, RT, RB