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FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/12

SPONSOR Rehm LAST UPDATED _____ HB 112

SHORT TITLE Pawnbroker Transaction Requirements SB _____

ANALYST Daly

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

Department of Public Safety (DPS)

New Mexico Municipal League

SUMMARY

Synopsis of Bill

House Bill 112 expands the Pawnbrokers Act to include within its scope the purchase of an item of gold, silver, platinum or other precious metals or gems for the purpose of resale, melting down, or otherwise altering the item. It expands the daily report currently required for used property which is received or purchased each day to include new property as well. The report must also include a photograph of any item of gold, silver, platinum or other precious metals or gems. Additionally, it requires the pawnbroker wait at least fifteen days before the pawnbroker sells, melts down, alters or disposes of these items.

FISCAL IMPLICATIONS

No agency reports any fiscal impact arising from HB 112.

SIGNIFICANT ISSUES

The underlying rationale for this bill is suggested by the AOC:

With the weak economy in New Mexico and other states, many more customers are turning to pawnshops for to help in paying bills or buying groceries or prescriptions. Because the price of gold is high, people are looking for new outlets to sell jewelry, heirlooms, and other items made of precious metals. HB 112 would allow pawnshops to directly purchase – not just lend money or extend credit on -- gold, silver and other items made of precious metals and gems, hold them for at least 15 days and then dispose of them.

The DPS posits that the most significant issue addressed in this legislation is the fifteen day delay imposed on the sale, meltdown, alteration or disposition of gold, silver, platinum and other precious metals and gems, which will provide victims of theft or other crimes a reasonable amount of time to involve law enforcement to ascertain whether such items were illegally obtained from the victim.

PERFORMANCE IMPLICATIONS

The DPS anticipates more cases may be solved if evidence is not destroyed quickly.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

These items may be destroyed or altered immediately upon purchase by a pawnbroker.

MD/lj:svb