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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/11

SPONSOR Munoz LAST UPDATED _____ HB _____

SHORT TITLE Increase Pawn Transaction Principal Balance SB 185

ANALYST Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Responses Received From
 Department of Public Safety (DPS)
 Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

Senate Bill 185 amends existing state law relating to pawnbrokers found at NMSA 1978, § 56-12-14.

Senate Bill 085 adds the word "or" after the word alcohol in Section 56-12-14 (A). This causes no change in meaning and is stylistic.

Senate Bill 0185 also amends Section 56-12-14 (I) in two ways. First, it corrects the existing section by removing the word "principle", and leaves the correct word "principal." Second, and more importantly, Senate Bill 185 raises the allowable principal balance of a pawnbroker transaction from \$2,000 to \$3,500.

FISCAL IMPLICATIONS

There are no discernable fiscal implications to the State of New Mexico from passage of the proposed legislation. The only fiscal implication that can be derived is that pawnbrokers would be able to take an item on which a greater amount than is currently provided in statute is owed. (\$2 thousand now, \$3.5 thousand proposed.)

SIGNIFICANT ISSUES

The bill would raise the amount of debt pawn shop customers can undertake. The principal balance a customer can owe is raised from \$2 thousand to \$3.5 thousand.

TECHNICAL ISSUES

The only technical issue presented is the amendment in paragraph I from the word “principle” to the word “principal”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

CS/bym