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FISCAL IMPACT STATEMENT

LS 7318

BILL NUMBER: HB 1177

NOTE PREPARED: Jan 7, 2013

BILL AMENDED:

SUBJECT: Secondhand shops.

FIRST AUTHOR: Rep. Hale

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires certain persons who purchase secondhand goods for resale to: (1) maintain a log containing the identity of the seller and a description of the secondhand goods; (2) photograph the seller and the secondhand goods; and (3) keep the goods separate from other goods for 10 business days.

The bill provides that the State Police Department shall publish on its Internet web site: (1) forms to be used by secondhand dealers to record transactions; (2) a list of secondhand property that is particularly susceptible to theft; and (3) relevant statutes and rules concerning the purchase of secondhand property. The bill

The bill requires a secondhand goods merchant to register annually with the secretary of state and certain local law enforcement agencies before the secondhand goods merchant may engage in business in Indiana.

The bill makes a violation of the secondhand goods statute a Class B infraction.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The State Police could incur some additional cost in designing forms to be placed on their website and creating a list of secondhand property that is particularly susceptible to theft. The impact is probably minor and could be done with existing resources.

The bill also requires secondhand shops to register with the Secretary of State. The registration has to include the name of the secondhand good merchant, addresses of all temporary and permanent places owned or leased, other data required by Secretary of State, and a \$100 registration fee. The expense of registering secondhand

shops would probably be minor. It is unknown how many secondhand shops might be required to register with the Secretary of State.

Explanation of State Revenues: *Fee Revenue:* The revenue from the \$100 registration fee is indeterminable.

Penalties: The bill makes a violation of the secondhand goods statute a Class B infraction. It is unknown how many additional Class B infractions might occur from secondhand goods merchants not maintaining a seller's log, taking a photograph of the seller, or keeping goods purchased separate from other goods for five business days after the date of purchase.

If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class B infraction is \$1,000, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the automated record keeping fee (\$5), judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$2) are deposited into the state General Fund.

Explanation of Local Expenditures: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Persons found guilty of a felony or misdemeanor are also required to pay the following fees that are deposited in local funds: the document storage fee (\$2), which is deposited into the clerk record perpetuation fund, and the jury fee (\$2) and law enforcement continuing education fee (\$4), which are both deposited in the county user fee fund.

Explanation of Local Revenues: The bill also requires secondhand shops to register with the local police. The registration has to include the name of the secondhand good merchant, addresses of the shop, other required data, and a \$50 registration fee. It is unknown how many secondhand shops might be required to register with the by local police..

State Agencies Affected: State Police; Secretary of State.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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