

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 1571 (Proposed Committee Substitute)

SHORT TITLE: Regulate Ticket Broker's Fee

SPONSOR(S): Senator Hoyle, et al.

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
General Fund	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
EXPENDITURES					
Sec. of State		see ASSUMPTIONS AND METHODOLOGY			
Dept. of Correction		No Fiscal Impact			
Judicial Department		No Fiscal Impact			
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Secretary of State; Office of the Attorney General					
EFFECTIVE DATE: This act is effective 30 days after it becomes law.					

BILL SUMMARY: This act sets general requirements for ticket brokers, mandates that ticket brokers obtain \$200,000 surety bonds, and requires ticket brokers to register with the Department of Secretary of State.

ASSUMPTIONS AND METHODOLOGY:

Revenue

This bill requires ticket brokers to pay an annual \$2,500 registration fee to the Department of Secretary of State. The Department estimates that between 2 and 15 ticket brokers will apply for registration. This fiscal note will assume the midpoint or 9 registrations per year. This number is reasonable given that 11 national ticket brokers were found in an internet search conducted by Fiscal Research on July 27, 1998. With 9 registrations, the Department will collect \$22,500 for deposit into the General Fund.

Expenditures

The Department of Secretary of State estimates that it will take a ¼ time clerical position to administer the registration program for ticket brokers. The Department recommends a grade 63 Administrative Assistant I position at a cost of \$6,600. The Department could fund a temporary position each year by using salary reserve. The use of salary reserve requires approval from the Office of State Budget and Management, but does not require an appropriation.

The bill sets Class I felony and Class 2 misdemeanor charges for violation of the ticket broker act. Data is not readily available to calculate the bill's impact on the court system, but the Administrative Office of the Courts (AOC) does not believe this bill will have a substantial fiscal impact. The creation of the new Class I felony and Class 2 misdemeanor charges could increase the number of cases coming through the courts, but the AOC has no evidence to suggest that these registered ticket brokers will not comply with the new regulations. The AOC also notes that individuals who "scalp" tickets without following the registration requirements would be prosecuted under the existing misdemeanor charge. Similarly, the Sentencing Commission does not expect this bill to have a significant impact on the state prison system. The charges might affect county jail populations, but few cases are expected.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Richard Bostic

APPROVED BY: Tom Covington

DATE: July 27, 1998



Signed Copy Located in the NCGA Principal Clerk's Offices