

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 655 (Third Edition)

SHORT TITLE: Amend Locksmith Act/Criminal Checks/Fees

SPONSOR(S): Senator Metcalf

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
Special Fund					
Apprentice Fee	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Apprentice Transfer Fee	No estimate available				
Agency Receipts (SBI)	See Assumptions & Methodology				
EXPENDITURES					
Agency Receipts (SBI)	See Assumptions & Methodology				
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Locksmith Licensing Board; Department of Justice – State Bureau of Investigation					
EFFECTIVE DATE: The act becomes effective July 1, 2003.					

BILL SUMMARY: The bill allows the Locksmith Licensing Board to do the following:

1) employ an attorney, 2) conduct criminal history record checks on applicants, 3) regulate apprentice locksmiths, 4) charge a fee to license apprentice locksmiths, and 5) exempt auto repair shop towing services from the act.

BACKGROUND: Governor Easley approved the bill creating the Locksmith Licensing Act on August 16, 2001. (HB 942 / SL 2001-ch.369) The Locksmith Licensing Board began operation in 2002.

ASSUMPTIONS AND METHODOLOGY:

Section 5 of the bill proposes a \$100 apprentice fee and a \$25 apprentice transfer fee. With only one year of operation, the Board has no record of the number of apprentice locksmiths working in the state. A spokesman for the Board estimates that 30 apprentice licenses will be issued each year. If it is assumed that the apprentice license has a one-time fee of \$100, then the Board will receive \$3,000 a year from this source. The Board has no estimate of apprentice transfer fees.

Sections 2, 7, and 8 deal with criminal record background checks. Since the applicant or licensee pays the State Bureau of Investigation (SBI) for the criminal record check, there is no fiscal impact on the Locksmith Licensing Board. The SBI is able to accommodate some increase in background checks within its existing staffing level. If the increase in workload due to new record checks is greater than the unit's capacity, the SBI could seek authorization from the Office of State Budget and Management for an additional position supported by the receipts collected from the applicants/ licensees.

As of May 23, 2002, there were 522 licensed locksmiths listed on the Locksmith Licensing Board website. In 2001, the North Carolina Locksmith Association estimated that the number of locksmiths would grow 5% a year. Given these factors, there would be background checks on approximately 26 new locksmiths each year. There will also be background checks on 30 apprentice locksmiths each year.

SOURCES OF DATA: Locksmith Licensing Board

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DATE: May 27, 2003



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