

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 18, 2009**

**TO:** Honorable Byron Cook, Chair, House Committee on Environmental Regulation

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1612** by Brown, Betty (Relating to restrictions on the purchase of certain regulated metals by metal recycling entities; providing a criminal penalty.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Occupations Code to add catalytic converters to the list of regulated metals and change the procedures followed by metal recycling entities for recordkeeping, and the holding period prior to sale, disposal or processing. The bill would require that metal recycling entities include a clear digital photograph of a seller's motor vehicle, trailer, regulated material, and the seller, as well as thumbprint impressions in their records. In addition, the bill would require that a metal recycling entity electronically submit to the Department of Public Safety a report containing the information required to be reported under Section 1956.033, Occupations Code. The bill would increase the required holding period for regulated materials prior to disposal from three days to five days, and prohibit a metal recycling entity from disposing material for which a record is required until the entity has submitted the report required by Section 1956.036, Occupations Code. The bill would make a violation of Section 1956.021 an offense to be classified as a state jail felony. This analysis assumes that the provisions required by the bill would be reasonably absorbed within the current resources of the Department of Public Safety.

**Local Government Impact**

The bill would amend the Occupations Code adding catalytic converters to the list of regulated metals. Current law requires metal recycling entities to submit a report to the department that contains documentation, including a digital photo of the vehicle clearly showing the make, model, and license plate number, and a photograph of the seller. The bill would require a metal recycling entity to submit the report electronically rather than by mail. A metal recycling entity is prohibited from disposing of any regulated material before a report has been submitted to the department. The costs to a metal recycling entity would vary depending on the number of catalytic converters purchased and sold, or disposed of.

The bill would create an offense which could result in local governmental entities incurring additional costs associated with enforcing the provisions of the bill.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JOB, GG, SD, MWU, TP