

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

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

**April 7, 2009**

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

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

**IN RE: HB3681** by Riddle (Relating to the regulation of metal recycling entities; providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3681, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from State Highway Fund 6</b>
2010	(\$1,265,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**Fiscal Analysis**

The bill would amend the Occupations Code as it relates to the regulation of metal recycling entities, requiring the collection of a thumbprint and a digital photographic or video record of the seller and the materials involved in each regulated material transaction. The metal recycling entity would be required to submit the information to the Crime Records Service (CRS) of the Department of Public Safety (DPS).

The bill would also create a state jail felony offense for a person who owns or operates a metal recycling entity without holding a license or permit issued by the governing body of the county, municipality, or political subdivision that has jurisdiction. The bill would create a Class B misdemeanor charge for improper record keeping by a metal recycling entity. Additionally, a Class B misdemeanor offense is created for displaying another person's identification in connection with the

attempted sale of regulated material. The bill would take effect on September 1, 2009.

### **Methodology**

According to CRS, seller thumbprints collected by a metal recycling entity would be stored as jpeg computer images. Records may currently be submitted through a web-based application, which would be modified to require the photographic or video record plus the thumbprint for a sales transaction occurring on or after September 1, 2009. Hard copy records submitted to DPS would be scanned and uploaded to the TXDPS Metals Recycling web-based application by DPS personnel. DPS reports that modifications and enhancements would need to be made to the Metal Recycling Database. CRS estimates the cost to be \$1,265,000 (10,000 hours multiplied by \$126.50 per hour).

### **Technology**

Technology impact for FY2010 would be for necessary modifications and enhancements to the TXDPS Metal Recycling Database, which CRS estimates to cost \$1,265,000.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 405 Department of Public Safety, 696 Department of Criminal Justice

**LBB Staff:** JOB, GG, LG, SD, MWU, DB