

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 30, 2011**

**TO:** Honorable Wayne Smith, Chair, House Committee on Environmental Regulation

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

**IN RE: HB1933** by Smith, Wayne (Relating to the regulation of metal recycling entities; providing penalties.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code to expand the list of regulated metals and authorize local jurisdictions to establish additional documentation, confidentiality, and record keeping provisions for metal recycling entities and provide penalties for non-compliance. The bill would authorize the Department of Public Safety (DPS) to provide metal recycling entities an exemption for additional documentation requirements if the entity affirms that the entity does not have the means to comply with the requirements.

DPS would be authorized to enter into a contract for the operation of the statewide electronic reporting system. The bill would require DPS to post on its website a publicly accessible list of all registered metal recycling entities and repeal the requirement that DPS post on its website information about the seller's of regulated metal. Sellers would be required to provide additional documentation to the metal recycling entity when attempting to sell a regulated material. The bill would limit the manner in which a metal recycling entity may pay for the purchase of a regulated metal.

Prohibited acts relating to the regulation of metal recycling entities would be expanded by the bill. The release or disclosure of information regarding a seller of regulated material would be punishable as a state jail felony if it is shown that the person has previously been convicted; otherwise the offense would be a Class A Misdemeanor. Operation of a metal recycling entity without obtaining or renewing a certificate of registration, or failing to properly purchase or report the purchase or acquisition of regulated material, would be punishable as a state jail felony if it is shown that the person has previously been convicted; otherwise the offense would be a misdemeanor punishable by a fine not to exceed \$10,000. Knowingly buying certain wire material or air conditioning components, would be punishable as a state jail felony if it is shown that the person has previously been convicted; otherwise the offense would be a Class A Misdemeanor. The bill would amend the Penal Code as it relates to the offense of theft to provide state jail felony punishment if the value of the property stolen is less than \$20,000 and the property stolen is aluminum, bronze, copper, or brass; rather than if the value of the property stolen is less than \$20,000 and the property stolen involves certain materials that consists of at least 50 percent aluminum, bronze, or copper.

Fines collected for conviction of an offense under the provisions of the bill would be remitted to the comptroller. The comptroller would deposit proceeds to an account in the general revenue fund, and those proceeds would be appropriated to DPS to finance its administration of metal recycling entities or fund a grant program intended to prevent the theft of scrap. The bill would establish a grant program to prevent the theft of scrap metal.

It is anticipated that the additional costs associated with the bill could be absorbed within the existing resources of the Department of Public Safety. It is assumed implementing the provisions of the bill would not result in a significant impact on the programs and workload of state corrections agencies or on the demand for resources of those agencies. The bill would take effect September 1, 2011. The enhancement of the punishment of an offense under the provisions of the bill would apply only to an offense committed on or after January 1, 2012.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety

**LBB Staff:** JOB, SZ, GG, DH, KKR