

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

IN RE: SB694 by West (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. The bill would 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 modify metal recycling entities practices for verifying, maintaining, and processing a seller's documentation.

The bill would authorize the Department of Public Safety (DPS) to contract for services to manage the statewide electronic reporting system used to track the sales of regulated metal and provides for the confidentiality of the information maintained in the system. The bill would require DPS to post on its website a publicly accessible list of all registered metal recycling entities. The bill would require DPS to appoint an advisory committee to direct DPS on the regulation of metal recycling entities. The bill would require DPS to issue a notice to each owner or operator of a metal recycling entity informing the owner or operator of the requirement to obtain a certificate of registration, license, or permit.

The bill would require certain fines be remitted to the comptroller. The comptroller would be required to deposit proceeds to the credit of an account in the general revenue fund, and those proceeds would be appropriated only 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. The Public Safety Commission would be required to adopt rules to establish and implement a grant program. Grants would fund local law enforcement efforts to prevent the theft of regulated material. It is anticipated that the additional costs associated with the bill could be absorbed within the existing resources of the Department of Public Safety.

The bill would make the operation of a metal recycling entity without a certificate of registration, or failing to properly purchase or report the purchase or acquisition of regulated material, a state jail felony if it is shown that the person has previously been convicted; otherwise, the offense would be punishable as a misdemeanor by a fine not to exceed \$10,000. 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. For this analysis, it is assumed the number of offenders convicted under this statute would not result in a significant impact on the programs and workload of state corrections agencies or on the demand for resources and services of those agencies.

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

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