

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 22, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (relating to the regulation of metal recycling; increasing a criminal penalty.),  
**Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, metal recycling entities would be required to maintain and submit certain records to the Department of Public Safety. Metal recycling entities and individuals who knowingly engage in violations of the bill's provisions regarding the sale or purchase of a catalytic converter would commit a state jail felony or, in the event of previous convictions, a third-degree felony.

It is assumed the costs to the Department of Public Safety associated with implementing the bill's provisions could be absorbed using existing resources. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources.

**Local Government Impact**

The bill could reduce Class A misdemeanors. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Lost revenue from reduced fines imposed and collected is not anticipated to have a significant fiscal impact.

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

**LBB Staff:** JMc, AJL, LM, DGI, CMA, DKN, AF