

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3160-08  
Bill No.: HCS for HB 1512  
Subject: Business and Commerce; Merchandising Practices  
Type: Original  
Date: February 28, 2008

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Bill Summary: Provides for scrap metal purchases in this state.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
General Revenue	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$100,000)</b>	<b>(Unknown less than \$100,000)</b>	<b>(Unknown less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Office of State Courts Administrator, Department of Economic Development - Public Service Commission, Department of Revenue, Department of Public Safety, City of Columbia, Lincoln University, Missouri State University, and University of Missouri** assumes the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY 06 average of \$39.43 per inmate per day, or an annual cost of \$14,394 per inmate) or through supervision provided by the Board of Probation and Parole (FY 06 average of \$2.52 per offender per day, or an annual cost of \$920 per offender). Supervision by the DOC through probation or incarceration would result in additional unknown costs to the DOC. Seven (7) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with new crimes relating to the purchase of scrap yards. It will be a new misdemeanor for scrap yards to purchase beer kegs or manhole covers or metal that can be identified as belonging to a political subdivision, electrical coop, municipal utility or utility regulated under 386 or 393, including bleachers, guardrails, signs, street or traffic signals/lights other than from those organizations unless authorized in writing.

It will also be a new misdemeanor for failure to maintain records. It will become a class C felony to steal wire, etc. associated with transmitting telecommunications and a class C felony for anyone stealing property on utility or electrical cooperatives' property.

ASSUMPTION (continued)

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the SPD system to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Office of Prosecution Services (OPS)** state because the provisions of this proposal create new criminal laws, the OPS assumes it would have a direct fiscal impact on county prosecutors from an increase in the number of cases referred for prosecution. However, the OPS is not able to establish an estimate of the additional criminal cases that would be referred to the County Prosecutors for charges.

It is assumed this proposal would not have a significant direct fiscal impact on the OPS.

Officials from the **City of Centralia (City)** state the amount of deterred theft is speculative. In 2006, the City suffered about \$15,000 of wire theft. In 2007, the City suffered about \$6,000 in the theft of used transformers. Therefore, the City assumes the proposal may deter the theft of items covered by the proposal, but any potential savings is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DOC</u>			
Increase in supervision/confinement costs	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$100,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>LOCAL GOVERNMENTS</b>			
<u>Savings - All Local Governments</u>			
Reduced property replacement costs	Unknown	Unknown	Unknown
<u>Costs - County Prosecutors</u>			
Increase in prosecution costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>

FISCAL IMPACT - Small Business

The proposal will administratively impact small business scrap metal businesses because of more stringent record-keeping requirements.

FISCAL DESCRIPTION

This proposal requires purchasers of scrap metal to keep a record of sale including a copy of a federally or state-issued form of identification from the seller, the date and time of delivery, and the description and weight of all metals. Scrap metal includes any aluminum, copper, brass or bronze wire, cable, pipe, tubing, bar, ingot, rod, fitting, or fastener, or material used for farming purposes. Records are required to be kept for a minimum of 24 months from when the scrap metal was obtained and must be available for inspection by any law enforcement agency. Violations of these provisions are a class A misdemeanor.

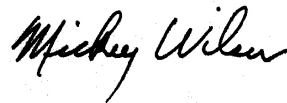
Scrap metal dealers are not to purchase or possess metal bear kegs unless the purchase is from the brewer or authorized representative. Violations are a class A misdemeanor punishable only by a fine.

Any person who steals or appropriates, without consent, any wire, electrical transformer, metallic wire associated with transmitting communications, or any device associated with conducting electricity will be guilty of a class C felony. In addition, any person who steals or appropriates, without consent, any property located on the premises of electrical cooperatives or municipal utilities or utilities regulated under chapter 386, RSMo, will be guilty of a class D felony.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General  
Office of State Courts Administrator  
Department of Economic Development -  
    Public Service Commission  
Department of Corrections  
Department of Revenue  
Department of Public Safety  
Office of Prosecution Services  
Office of State Public Defender  
City of Centralia  
City of Columbia  
Lincoln University  
Missouri State University  
University of Missouri



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