

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1686H.03I
Bill No.: HB 1153
Subject: Business and Commerce; Merchandising Practices; Crimes and Punishment
Type: Original
Date: February 26, 2021

Bill Summary: This proposal changes the law regarding catalytic converters.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$6,463)	(\$15,822)	(\$16,139)
Total Estimated Net Effect on General Revenue	(\$6,463)	(\$15,822)	(\$16,139)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§407.300 and 570.030 – Catalytic converters

Officials from the **Department of Corrections (DOC)** state this proposal changes the law regarding catalytic converters. It states the offense of stealing is a class A misdemeanor if the property appropriated is a catalytic converter. If the person has previously been found guilty of a stealing-related offense within the previous 10 years or if the person appropriates property consisting of two or more catalytic converters, the offense is a class E felony.

The DOC has no data related to sentencing under section 570.030 for these changes. Therefore, the department will use a standard E felony response to estimate a fiscal impact for this legislation.

For each new nonviolent class E felony, it is estimated that one person could be sentenced to prison and two to probation. The average sentence for a nonviolent class E felony offense is 3.4 years, of which 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 2 additional offenders in prison and 7 additional offenders on field supervision by FY 2024.

	# to prison	Cost per year	Total Costs for prison	# to probation & parole	Cost per year	Total cost for probation and parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$7,756)	(\$6,463)	2	absorbed	\$0	(\$6,463)
Year 2	2	(\$7,756)	(\$15,822)	4	absorbed	\$0	(\$15,822)
Year 3	2	(\$7,756)	(\$16,139)	7	absorbed	\$0	(\$16,139)
Year 4	2	(\$7,756)	(\$16,461)	7	absorbed	\$0	(\$16,461)
Year 5	2	(\$7,756)	(\$16,791)	7	absorbed	\$0	(\$16,791)
Year 6	2	(\$7,756)	(\$17,127)	7	absorbed	\$0	(\$17,127)
Year 7	2	(\$7,756)	(\$17,469)	7	absorbed	\$0	(\$17,469)
Year 8	2	(\$7,756)	(\$17,818)	7	absorbed	\$0	(\$17,818)
Year 9	2	(\$7,756)	(\$18,175)	7	absorbed	\$0	(\$18,175)
Year 10	2	(\$7,756)	(\$18,538)	7	absorbed	\$0	(\$18,538)

If this impact statement has changed from statements submitted in previous years, it is because the Department of Corrections has changed the way probation and parole daily costs are

calculated to more accurately reflect the way the Division of Probation and Parole is staffed across the entire state.

In December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be the DOC average district caseload across the state which is 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases would result in a change in costs/cost avoidance equal to the cost of one FTE staff person. Increases/decreases smaller than 51 offenders are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 48 probation and parole districts.

The DOC cost of incarceration is \$21.251 per day or an annual cost of \$7,756 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

Officials from the **Department of Revenue (DOR)** state the bill would create the ability to revoke salvage licenses for businesses that violate the new provisions of this bill.

The fiscal impact to the DOR due to a presumed increase in investigations is unknown. Administrative hearings would see an increase, but the volume of increase is unknown at this time. The Department would attempt to absorb the increase in investigations and hearings with existing staff. If additional FTEs are required, they would be requested through the appropriations process.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DOR will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the DOR for fiscal note purposes.

Officials from the **Attorney General's Office**, the **Department of Public Safety – (Missouri Highway Patrol and Office of the Director)**, the **Missouri Office of Prosecution Services**, the **Office of the State Courts Administrator**, the **Office of the Secretary of State**, the **Office of the State Public Defender**, the **Ellisville Police Department**, the **Kansas City Police Department**, and the **St. Joseph Police Department** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **St. Louis County Police Department** state in 407.300.3(3) of the bill, a purchaser, collector, or dealer of scrap metal or any secondhand property would be required to submit to law enforcement certain records for entry. Officers and detectives within our agency would be responsible for the collection and entry of this information; however, the number of hours that would be required to accomplish this is difficult to estimate since it is unknown how many records the Department will receive on a monthly basis.

Additionally, the legislation specifies that the Department of Public Safety will be responsible for creating a form in order to record the records required under the proposed legislation. If the Department of Public Safety were to also utilize a database to maintain all the records it is possible that they may choose to charge agencies for access to the records incurring more costs to the Department.

Since it is not possible to estimate how many forms that would be received and processed and whether or not an additional expense would be incurred by the Department of Public Safety for the use of their records system, the proposed legislation could have an unknown cost to the Department.

Oversight notes the provisions of this proposal require, at least monthly, a purchaser or collector of, or dealer in, junk, scrap metal, or any secondhand property to submit to the law enforcement agency with jurisdiction over their primary place of business, the records required on the Department of Public Safety's form, with copies of any supporting documentation attached. It does not require the Department of Public Safety to utilize a database to maintain records or to charge an agency to access the records. Therefore, Oversight assumes the St. Louis Police Department would be able to implement the provisions of this proposal with existing staff and resources and will indicate no fiscal impact for fiscal note purposes.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other police and sheriff's departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Costs – DOC</u> (\$570.030) Increased incarceration costs	(\$6,463)	(\$15,822)	(\$16,139)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$6,463)	(\$15,822)	(\$16,139)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small scrap metal businesses could be impacted by this proposal.

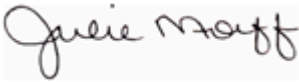
FISCAL DESCRIPTION

This act modifies provisions regarding catalytic converters.

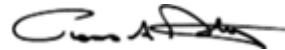
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Corrections
Department of Revenue
Department of Public Safety
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Office of the Secretary of State
Office of the State Public Defender
Ellisville Police Department
Kansas City Police Department
St. Joseph Police Department
St. Louis County Police Department



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