

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2955H.01I
Bill No.: HB 1406
Subject: Business and Commerce; Merchandising Practices; Crimes and Punishment
Type: Original
Date: January 7, 2024

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§407.300 – Catalytic Converters

Officials from the **Attorney General’s Office**, the **Department of Natural Resources**, the **Department of Revenue**, the **Missouri Highway Patrol**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services, Kansas City, Springfield**, the **Phelps County Sheriff’s Department**, the **Kansas City Police Department** and the **St. Louis County 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.

In response to similar legislation from 2023, Perfected HB 37, officials from the **City of O’Fallon**, the **Branson Police Department**, the **St. Joseph Police Department** and the **Tipton Police Department** each assumed 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.

Oversight notes in an article from the Bismark Tribune from February 22, 2021 regarding North Dakota’s SB 2242, *“Catalytic converters -- devices mandatory on gasoline-burning vehicles since the mid-1970s -- are a hot item, and not just because vehicle exhaust passes through them. Inside each device is a sort of honeycomb lined with metals such as palladium, rhodium and platinum, which remove pollutants from the exhaust.*

Palladium is worth about \$2,400 an ounce, said Larry Schneider, owner of Bismarck Gold and Silver Exchange. That equates to about \$85 per gram. Platinum is valued at about \$1,300 per ounce (\$46 per gram). Rhodium is worth about \$20,000 per ounce (\$706 per gram)”

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties and local law enforcement agencies 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 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small businesses that purchase catalytic converters would need to require vehicle identification numbers on catalytic converters that are purchased.

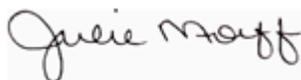
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Natural Resources
 Department of Revenue
 Missouri Highway Patrol
 Missouri Department of Agriculture
 Missouri Department of Transportation
 Missouri Office of Prosecution Services
 Kansas City
 City of Springfield
 Phelps County Sheriff Department
 Kansas City Police Department
 St. Louis County Police Department
 O’Fallon
 Branson Police Department
 St. Joseph Police Department
 Tipton Police Department



Julie Morff
 Director
 January 7, 2024



Ross Strope
 Assistant Director
 January 7, 2024