

## Department of Planning and Budget 2009 Fiscal Impact Statement

**1. Bill Number:** HB1698

House of Origin      X     Introduced                 Substitute                 Engrossed  
Second House                In Committee             Substitute                 Enrolled

**2. Patron:**        Lohr

**3. Committee:** Commerce and Labor

**4. Title:**         Scrap metal processors.

**5. Summary:** Prohibits the sale to or purchase of any scrap metal that the seller or scrap metal processor knows is copper, aluminum, brass, lead, or other nonferrous metal of any kind, including catalytic converters or any materials derived from a catalytic converter, steel railroad track and track material, metal beverage containers with a capacity of more than two liters that are marketed as returnable, or other specific categories of scrap metal, unless the person attempting to sell the scrap metal provides documentation establishing or acknowledging that the seller is the owner of the scrap metal or is an employee, agent, or other person authorized to sell the scrap metal on behalf of the owner. The measure authorizes law-enforcement officers during the regular business hours of a scrap metal processor to inspect, without a warrant or subpoena, any scrap metal in the possession of a scrap metal processor, any records required to be maintained by a scrap metal processor, or both. Each seller of scrap metal is required to provide his driver's license number to the scrap metal processor in connection with each sale of nonferrous scrap, metal articles, and proprietary articles. Sales where the seller is unable or refuses to provide the required identification and information are prohibited. Scrap metal processors are required to keep a record of the total price paid for items purchased and the price paid per unit of measurement for the items. The penalty for any violation of the chapter is increased to a Class 1 misdemeanor; currently, negligent violations are subject to a civil penalty not to exceed \$7,500 while knowing violations are a Class 1 misdemeanor.

**6. Fiscal Impact Estimates:** Preliminary.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** Although insufficient data exists to determine the fiscal impact due to the legislation at this time, the legislation could result in an increase in the jail population since a Class 1 misdemeanor can result in a sentence of up to 12 months in jail (and \$2,500 fine). Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's FY2007 Jail Cost Report (November 1, 2008), the estimated total state support for local jails averaged \$28.77 per inmate, per day in FY 2007.

**9. Specific Agency or Political Subdivisions Affected:** Local and regional jails, State Compensation Board, law enforcement agencies statewide, general district courts.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None.

**Date:** 1/20/2009 dpb/jgc

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cc: State Compensation Board