

January 20, 2015

The Honorable Jeff King, Chairperson
Senate Committee on Judiciary
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator King:

SUBJECT: Fiscal Note for SB 11 by Senator Petersen, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning SB 11 is respectfully submitted to your committee.

SB 11 creates the Scrap Metal Theft Reduction Act. The bill amends and repeals existing statutes concerning county and municipality oversight of regulated scrap metal. It replaces existing local regulation of scrap metal dealers with a statewide registry to be administered by the Attorney General. The bill authorizes the Attorney General to investigate and bring action against persons who violate the act. SB 11 also requires the Attorney General to create and maintain a central database, and requires registered scrap metal dealers to upload to this database certain information related to scrap metal transactions. The bill expands the definition of “scrap metal dealer.”

SB 11 amends K.S.A. 2014 Supp. 21-5813 to include the crime “aggravated criminal damage to property” and prescribes enhanced severity levels for this crime. The bill amends the methods available to the state to prosecute crimes related to theft and regulated scrap metal.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	\$314,725
Expenditure	--	--	--	\$314,724
FTE Pos.	--	--	--	2.00

For SB 11 the Office of Attorney General assumes it would be responsible for creating and maintaining a registry database pursuant to the act. This database would serve two purposes: to reflect the registration status of scrap metal dealers and to record certain information relevant

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to scrap metal transactions uploaded to the database by registered scrap metal dealers. The Attorney General assumes the database would be created and maintained by an outside vendor. The agency assumes this vendor would provide these services for at least \$150,000 annually, based upon discussions with other agencies facing similar responsibilities.

The Attorney General assumes a 2.00 FTE positions would be required. A commissioned law enforcement officer would serve as director of the unit and lead efforts to investigate violations of the act. A non-commissioned investigator would be assist in processing registrations and investigations. In addition to salaries, annual costs would include office rent, travel expenses and supplies. Additional one-time setup costs include the purchase of a vehicle, computers, phones and office furnishings.

The Attorney General assumes scrap metal dealers will pay to the Scrap Metal Theft Reduction Fund an annual registration fee of not less than \$500 or more than \$1,500, pursuant to the act. The number of scrap metal dealers in the state is not known at this time, but the agency estimates there are between 300 and 500 locations to be registered. The agency would likely set the registration fee at a point that would allow the Office to cover the costs of operating the program at a revenue neutral position. The cost of bringing actions to enforce the act could be included in the regular operating budget of the Attorney General's office.

Local government units currently have authority to register scrap metal dealers and collect fees under current law, pursuant to existing statutes. Local government units would no longer receive fees under the act. Local government units are currently required to create and maintain registrations. The act repeals these administrative burdens placed on local government units.

Any fiscal effect associated with SB 11 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Willie Prescott, Attorney General's Office
Mary Rinehart, Judiciary