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MEMORANDUM

To: Senate Committee on Judiciary
From: Jason Thompson, Senior Assistant Revisor of Statutes
Date: March 18, 2019
Subject: Bill Brief for SB 219

Senate Bill 219 transfers responsibility for the scrap metal database to the Kansas Bureau of Investigation (KBI), reduces the registration fee for scrap metal dealers, and requires a tonnage excise tax.

Section 1 is a new section of law that would be added to the scrap metal theft reduction act to impose an excise tax upon a scrap metal dealer on the purchase of scrap metal. The tax would be imposed on each transaction where the dealer purchases scrap metal as follows: (1) No tax on purchases less than 100 pounds; (2) \$0.50 on purchases greater than 100 pounds and less than one ton; and (3) \$1 per ton for purchases greater than one ton. The tax would not apply to a transaction that occurs between dealers. The dealer has discretion to determine the manner of deriving the money required to pay the tax and may impose the tax on customers. The Director of Taxation will administer the section and other provisions of the Kansas retailers' sales tax act will apply. The dealers will make all payments to the Director and the Director will remit all moneys to the State Treasurer for deposit in the scrap metal theft reduction fee fund.

Section 2 amends K.S.A. 50-6,109a, part of the scrap metal theft reduction act that currently gives the Attorney General authority over administration and enforcement of the act, governs the scrap metal theft reduction fee fund, and requires the Attorney General to establish and maintain a scrap metal database before January 1, 2020. The bill transfers the database responsibility to the KBI, creates a new scrap metal data repository fund to be administered by the Director of the KBI, maintains the current fund administered by the Attorney General, and authorizes the Attorney General to transfer moneys from the current fund to the new fund.

Finally, section 3 amends K.S.A. 50-6,112a, part of the scrap metal theft reduction act that currently requires scrap metal dealers to register each place of business with the Attorney General. The section currently provides for a fee of not less than \$500 nor more than \$1,500 in subsection (d) and a renewal fee of not more than \$1,500 in subsection (f), both as prescribed by the Attorney General, but both provisions were made unenforceable by subsection (i) until January 1, 2020. The bill provides that on and after January 1, 2020, the registration fee will be not more than \$750 and the renewal fee will be not more than \$750, both as prescribed by the Attorney General. All fees collected by the Attorney General will be remitted to the State Treasurer for deposit in the scrap metal theft reduction fee fund.