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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08

SPONSOR Trujillo LAST UPDATED _____ HB 497

SHORT TITLE Sale Of Recycled Metals Act SB _____

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1		Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 281

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)

Environment Department (ED)

SUMMARY

Synopsis of Bill

House Bill 497 appropriates \$ 100,000 from the general fund to the Department of Public Safety for expenditure in fiscal year 2009 to carry out the provisions of the Sale of Recycled Metals Act.

This bill creates the Sale of Recycled Metals Act which enacts the following:

- A secondhand metal dealer shall at all times maintain in a prominent place in the dealer's place of business, in open view to a seller of regulated material, a notice warning against

providing false documentation. The notice must also provide the secondhand metal dealer's usual business hours.

- A person attempting to sell regulated material to a secondhand metal dealer shall display to the secondhand metal dealer the person's personal identification document, sign a written statement provided by the secondhand metal dealer that the person is the legal owner of or is lawfully entitled to sell the regulated material offered for sale and provide to the secondhand metal dealer the make, model and license plate number of the motor vehicle used to transport the regulated material.
- The secondhand metal dealer or the dealer's agent shall visually verify the accuracy of the personal identification document and vehicle identification presented by the seller at the time of the dealer's purchase of regulated material.
- The secondhand metal dealer shall keep an accurate and legible written record of each purchase made in the course of the dealer's business. The requirements for this record are enumerated.
- Not later than the second business day after the date of the purchase or other acquisition of regulated material for which a record is required, a secondhand metal dealer shall mail to or file with DPS a report containing the information required to be recorded.
- DPS shall establish and maintain an electronic database containing the records required to be preserved pursuant to this bill. The database shall be accessible to the public. The records shall be available in the database by the end of the second business day following receipt by DPS.
- The secretary of DPS has authority to promulgate reasonable regulations for the administration and enforcement of the Sale of Recycled Metals Act and is expressly authorized to make regulations regarding records of purchase of regulated material and the public database required in this act.
- A secondhand metal dealer shall not process or permit to be removed from the dealer's premises regulated material until the fifth business day after the date on which the dealer acquired the regulated material.
- The bill sets out prohibited acts and penalties.

The provisions of the Sale of Recycled Metals Act shall not apply to a purchase of regulated material from a manufacturing, industrial or other commercial vendor that sells regulated material in the ordinary course of the vendor's business.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The appropriation in this legislation will go to DPS to maintain a data base. DPS states creating a data base specifically for this act will most likely expend all of those funds. Depending on the number of sellers submitting reports, especially one for every transaction, this could be a big impact on DPS. If all funds go for a data base, there will be none left for FTE or other administrative costs.

SIGNIFICANT ISSUES

ED notes that this bill is in response to recent sales of stolen metals in New Mexico to auto wreckers and scrap metal processors. The value of scrap metal has recently skyrocketed. This bill addresses numerous incidents of stolen scrap metal that has been sold to scrap dealers and automotive wreckers

The Department of Public Safety (DPS) will oversee the requirements of the bill. The legislation requires individuals that sell scrap metal to verify their identification. Those people will be required to sign a written statement that they own the scrap and provide the make, model and license plate of the vehicle used to transport the scrap they are selling. The buyer must keep records of all transactions and forward that information to DPS. Sellers that violate the provisions are guilty of a misdemeanor and a second offense is a fourth degree felony.

DPS provided the following:

Tracking recycled metals is not the biggest priority of a law enforcement agency. DPS will welcome the chance to investigation on a case by case basis the theft of such metals, but the regulation of might be better suited to another agency.

ADMINISTRATIVE IMPLICATIONS

DPS believes they might need one FTE on a recurring basis.

DUPLICATION

HB 497 duplicates SB 281.

DW/mt