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FISCAL IMPACT REPORT

SPONSOR Neville **ORIGINAL DATE** 02/01/14
LAST UPDATED _____ **HB** _____

SHORT TITLE Sale of Recycled Metals Act Enforcement **SB** 227

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, House Bill 250

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 227 appropriates \$200 thousand from the general fund to the Regulation and Licensing Department (RLD) for expenditure in FY15 to enforce the sale of Recycled Metals Act. The appropriation will fund the employee costs and overhead costs associated with two new FTE's; administrator for the Sales of Recycled Metals Act and an attorney for disciplinary hearings.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall not revert to the General Fund.

It is uncertain why this appropriation would be non-reverting when all other programs within RLD reverts any unexpended or unencumbered general fund monies back to the General Fund.

The LFC staff opinion is this is a recurring appropriation that would be found in the General Appropriation Act and should revert at the end of the fiscal year.

SIGNIFICANT ISSUES

This bill would give RLD the ability to properly regulate and discipline recycling facilities that do not follow the Sale of Recycled Metals Act properly. The ability to designate 2 FTE's solely for this act will ensure all recycled metal dealers are held accountable in the reporting of purchases associated with restricted metals. This oversight will also assist law enforcement with locating those individuals selling stolen property.

PNM states that over 300 incidents of utility theft were reported to the Albuquerque Police Department in the Albuquerque Metro. Majority of thefts occurred at commercial owned buildings with average repair costs of 10 thousand dollars to 15 thousand dollars.

Local media outlets reported a local church in Santa Fe recently had repair costs of nearly \$100 thousand when thieves stripped 200 feet of copper wire from underground, cutting power to the building, causing their boiler to crack and break.

As noted by the National Insurance Crime Bureau (NICB)

The NCIB sees more evidence of pervasive metal theft -overwhelmingly copper- affecting communities across the nation. The report reviews metal theft claims from Jan. 1, 2010, through Dec. 31, 2012. During this period, 33,775 insurance claims for the theft of copper, bronze, brass or aluminum were handled—32,568 of them (96 percent) for copper alone. This shows a 36 percent increase in claims when compared with the 25,083 claims reported between Jan. 1, 2009, and Dec. 31, 2011. When the number of metal theft claims per month and monthly average copper prices are compared, the number of claims filed is found to have a statistically significant correlation with the price of copper.

“Metal Thefts Continue to Plague the Nation”. May 01, 2013. National Insurance Crime Bureau (NICB) [“https://www.nicb.org/newsroom/news-releases/2013-metal-theft-report”](https://www.nicb.org/newsroom/news-releases/2013-metal-theft-report).

PERFORMANCE IMPLICATIONS

Attached document provides breakdown of FTE costs.

RM/jl