



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 1077

PRINTERS NO. 2122

PRIME SPONSOR: Argall

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	See Fiscal Impact

**SUMMARY:** Senate Bill 1077, Printer's Number 2122, amends the Scrap Material Theft Prevention Act to strengthen administration and enforcement and further providing for penalties.

**ANALYSIS:** This legislation amends Act 113 of 2008, the Scrap Material Theft Prevention Act, to provide for new definitions and clarifying language related to the administration and enforcement of this act. For example, the definition of "railroad material" is added to the list of definitions to include such materials on the list of restricted materials for individual transactions.

Additional language is also included to clarify that confirmation that the person delivering scrap material is authorized shall be a written, signed authorization from the owner or officer of the commercial enterprise for an individual to receive payment on behalf of a commercial account. It also requires individuals receiving payment on behalf of a commercial account to sign an acknowledgment of receipt when accepting cash payment.

The bill requires that the Pennsylvania State Police (PSP) shall establish and maintain a statewide registry of scrap processors and recycling facilities. The registry information shall be posted on the publicly accessible Internet website of the PSP.

All scrap processors and recycling facilities shall register their business with the PSP. The form shall include relevant personal identifying information, such as name, address, phone number, driver's license numbers, and federal employer identification numbers. Registration must be in writing on a form prescribed by the department, but may be in writing or electronically once the PSP database is operational.

Each completed registration form or renewal of registration shall be accompanied by a fee of \$100. After completing the registration and paying the fee, the PSP shall issue the scrap processing and recycling facility a written notice of registration. The notice shall be valid for a period of two years, while renewals shall be on a biennial basis.

The bill states that the registration fee shall be used to establish and maintain a database. Before July 1, 2016, funds collected shall augment the money appropriated to the PSP to be used to create an electronic database of registrations. The PSP shall transmit a notice when the electronic database

is operational to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin. After June 30, 2016, money collected shall be deposited in the General Fund.

A scrap processor and recycling facility shall include its registration number in all advertisements distributed within the Commonwealth, while the registration certificate must be clearly visible at its place of business. Scrap processors or recycling facilities that fail to register are subject to a \$1,000 fine.

The bill also provides for penalties related to motor vehicles used in offenses related to scrap material theft stating that for a first offense, vehicle may be impounded for 30-60 days. For second or subsequent offenses, vehicle may be impounded for 60-180 days. A person convicted of the offense is responsible for fees associated with impoundment of the vehicle.

The effective date of this legislation is 60 days after enactment.

**FISCAL IMPACT:** Enactment of Senate Bill 1077 is not projected to have an adverse fiscal impact on Commonwealth funds, but will require additional agency resources in subsequent years that may be covered under existing operations.

The Pennsylvania State Police (PSP) shall establish and maintain a statewide registry of scrap processors and recycling facilities. Processors and facilities shall submit completed registration forms or renewals of registration directly to the PSP with a requisite fee of \$100. The registration notice issued by PSP will be valid for a two-year period, while renewals shall be on a biennial basis. Assuming 400 such facilities would be required to register within the Commonwealth, it is projected that \$40,000 would be generated every two years to offset the costs of this program.

The bill states that the registration fee shall be used to establish and maintain a database. Before July 1, 2016, funds collected shall augment the money appropriated to the PSP to be used to create an electronic database of registrations. After June 30, 2016, money collected shall be deposited in the General Fund.

There will be some initial one-time costs associated with creating the registry database, registration forms and related operations for the program. Such costs to the PSP would be approximately \$90,000 related to the administrative and operational expenses to establish this program. It is expected the PSP will also have recurring administrative costs to manage the registry program unless current staff positions can be utilized.

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House Appropriations Committee (R)

**DATE:** June 16, 2014

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*