



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1086

PRINTERS NO. 3182

PRIME SPONSOR: Davis

COST / (SAVINGS)

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

SUMMARY: House Bill 1086, Printer's Number 3182, amends the Scrap Material Theft Prevention Act to strengthen administration and enforcement.

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 that shall register with the PSP. The registry shall be posted on the PSP Internet website and accessible to law enforcement personnel.

All scrap processors and recycling facilities shall register their business with the PSP on a form provided by the agency. 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 will issue certificate of registry. The certificate shall be valid for a period of two years, while renewals shall be on a biennial basis.

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 this bill will have no adverse fiscal impact on Commonwealth funds. For example, House Bill 1086 requires the Pennsylvania State Police (PSP) to 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 certificate issued by PSP will be valid for a two-year period, while renewals shall be on a biennial basis. Assuming that 400 such facilities would be required to register within the Commonwealth, this would provide an estimated \$40,000 in revenue every two years to offset the costs to administer this program.

There will be some initial one-time costs associated with creating the registry database, registration forms and documentation, and related operations for the program. Such costs to the PSP would be approximately \$150,000 related to the administrative and operational expenses to establish this program.

It is also expected the PSP will have recurring administrative costs to manage this new program and registry unless current staff positions can be utilized. The additional \$40,000 in projected revenue from the biennial registration fee is expected to cover most of these operating costs.

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House Appropriations Committee (R)

DATE: May 5, 2014

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