

March 4, 2019

The Honorable John Barker, Chairperson  
House Committee on Federal and State Affairs  
Statehouse, Room 285-N  
Topeka, Kansas 66612

Dear Representative Barker:

**SUBJECT:** Fiscal Note for HB 2226 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2226 is respectfully submitted to your committee.

HB 2226 would make various changes to the Scrap Metal Theft Reduction Act. The changes would include removing jurisdiction and responsibilities regarding scrap metal dealers from the Attorney General and placing those responsibilities with either cities or counties. Scrap metal dealers would be required to register with the governing body of a city if their place of business is within city limits. If the place of business is not within city limits, the dealer would be required to register with the county where the business is located. Local units of law enforcement would be required to be given notice of new scrap metal dealers registered with cities and counties. The bill would also change the fees associated with becoming a registered scrap metal dealer. The bill would also remove certain registration standards and include changes to procedures regarding any suspension or revocation of scrap metal dealer registrations.

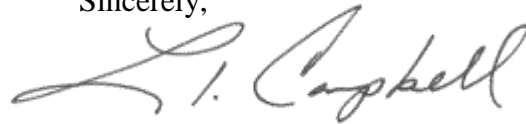
Under current law, all administrative and civil action pursued under the Scrap Metal Theft Reduction Act is brought to the district court of Shawnee County. HB 2226 would remove this requirement. Additionally, the bill would remove language requiring scrap metal dealers to obtain and maintain copies of identification cards other documents and pictures of items or lots of items being sold and removes fines associated with noncompliance of those provisions. The bill would also remove the Scrap Metal Theft Reduction Fee Fund from the list of funds designated to remain intact and inviolate for purposes set forth by statute.

The Office of the Attorney General indicates enactment of HB 2226 would have no fiscal effect on the Office because much of the Attorney General's regulatory authority regarding the Scrap Metal Theft Reduction Act has been suspended. Suspension of those responsibilities is set to expire on January 1, 2020.

The Judicial Branch estimates enactment of HB 2226 could increase the number of cases filed in district courts because the bill would allow scrap metal dealers to file appeals in district courts. However, the Judicial Branch cannot estimate how enactment of the bill would affect the courts because the number of appeals that would be filed is unknown.

The League of Kansas Municipalities and the Kansas Association of Counties indicate enactment of HB 2226 could increase revenues received by Kansas cities and counties because of registration fees being collected from scrap metal dealers. However, the number of registrations is unknown, and the League of Kansas Municipalities and the Kansas Association of Counties cannot estimate how city and county revenues would be affected. Any fiscal effect associated with HB 2226 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is fluid and cursive, with the first and last names being clearly legible.

Larry L. Campbell  
Division of the Budget

cc: Willie Prescott, Office of the Attorney General  
Janie Harris, Judiciary  
Chardae Caine, League of Municipalities  
Jay Hall, Association of Counties