



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	H. 3991	Amended by the House of Representatives on March 18, 2021
<b>Author:</b>	Rutherford	
<b>Subject:</b>	Nonferrous Metals – Catalytic Converters	
<b>Requestor:</b>	Senate Judiciary	
<b>RFA Analyst(s):</b>	Griffith and Gardner	
<b>Impact Date:</b>	April 23, 2021	

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### Fiscal Impact Summary

This bill provides additional restrictions for purchasing or acquiring a catalytic converter. The bill will have no fiscal impact on the Department of Motor Vehicles (DMV) because it does not affect the licensing of motor vehicle dealers or automobile demolishers. The State Law Enforcement Division (SLED) will administer responsibilities resulting from the bill with the use of its existing staff and resources.

The Revenue and Fiscal Affairs Office (RFA) does not anticipate an impact on local expenditures or revenues for permits for secondary metal recyclers obtained from county sheriffs. We do not anticipate an increase in secondary metals recycler permits due to the addition of catalytic converters to the list of nonferrous metals the recycler may possess and did not identify any counties currently charging a fee for the permit.

### Explanation of Fiscal Impact

#### Amended by the House of Representatives on March 18, 2021

##### State Expenditure

This bill makes it illegal for an individual or entity other than a permitted secondary metals recycler to purchase, obtain, otherwise acquire, or attempt to purchase, obtain, or otherwise acquire a used, detached catalytic converter or any nonferrous part of a catalytic converter. Additionally, it will be illegal for an individual or entity to possess, transport, or sell a used, detached catalytic converter or its nonferrous part without providing certain documentation to law enforcement and/or a permitted secondary metals recycler.

A first offense of the above crimes is a misdemeanor and is punishable by a fine given at the discretion of the court, imprisonment for no more than three years, or both. A second offense is a felony and is punishable by a fine given at the discretion of the court, imprisonment for no more than five years, or both.

Among other requirements, a secondary metals recycler may obtain, purchase, or otherwise acquire a used, detached catalytic converter or its nonferrous part only if the recycler has a permit from the local sheriff's office, and the sale occurs at the recycler's fixed site. The

recycler must verify that the seller acquired the catalytic converter legally and must retain records of the verification and other information.

A first offense of the above crimes is a misdemeanor and is punishable by a fine of no more than \$200 or imprisonment of no more than 30 days. A second offense is also a misdemeanor and is punishable by a fine of no more than \$500, imprisonment of no more than one year, or both. A third or subsequent offense is a misdemeanor and is punishable by a fine or no more than \$1,000, imprisonment of no more than three years, or both.

**Department of Motor Vehicles.** While DMV licenses motor vehicle dealers and automobile demolishers, this bill will have no effect on that licensing. Therefore, this bill will have no impact on the agency.

**State Law Enforcement Division.** SLED reports this bill will have no expenditure impact because the agency will administer responsibilities resulting from the bill with the use of existing staff and resources.

#### **State Revenue**

N/A

#### **Local Expenditure**

Secondary metals recyclers are permitted by county sheriffs. The Revenue and Fiscal Affairs Office does not anticipate an increase in secondary metals recycler permits due to the addition of catalytic converters to the list of nonferrous metals the recycler may possess. Therefore, there is no expenditure impact to local governments.

#### **Local Revenue**

RFA does not anticipate an increase in secondary metals recycler permits due to the addition of catalytic converters to the list of nonferrous metals the recycler may possess. Further, we did not identify any counties that currently charge for the secondary metal recyclers permit. Therefore, we do not expect any impact to local government revenues.



Frank A. Rainwater, Executive Director