

Testimony Date 3/18/2019

Bill Number SB 219

Testimony by Von Fahrenbruch, F&F Iron & Metal Co.

In opposition of SB 219

Dear Judiciary Committee Senators,

My name is Von Fahrenbruch and I am President and owner of F&F Iron & Metal Co. at Norton Kansas and F&F Recycling of Garden City at Garden City Kansas.

I am in opposition of SB 219, first the requirement of an excise tax to be placed on scrap metals purchases, and second the establishment of a central repository database maintained by the Kansas Bureau of Investigation.

The excise tax would be a burden to my office staff to explain and enforce upon our daily customers and submitting of the payment of collected tax money in a currently unknown procedure. While the proposed excise tax rate may appear modest to some, many of our law-abiding customers are of a thrifty nature and will take exception to us reducing their take home cash. Both our operations border states that do not have such laws and we risk losing business with our customers going to those states to sell their scrap metal. I do not want to pickup the tab for the proposed excise tax myself. For example, the year 2018 amount originating from our company using the proposed rate would have exceeded \$10,000 dollars, extra money I do not have to expense out.

Establishment of a central repository database will do nothing to reduce scrap metal theft or the conviction of criminals. It duplicates the scrap metal purchase data we already collect in a much more user-friendly format available to any law enforcement upon their request. We record customer ID's, jpegs of all scale purchased items, customer vehicle information, payment information, and live video of all yard activity. We can search our database by date, time, customer, commodity and commodity type. We work closely with local law enforcement. We supply them with any video or pictures or customer information they request, and they in turn will reach out to us to be on the look out for potential scrap metal that may have been stolen. We had over 45,000 scale weight events in 2018 from two scrap yards. One can only imagine the volume of transactions the

KBI would be collecting statewide and how time consuming it would be for them to glean any useful information. Time is of the essence to catch and prosecute metal thieves. Local law enforcement is much better equipped and nimble to intervene during a local event. If the KBI would need to be involved, I am certain they would come to us to gather the video and transaction information that we already collect.

We have already been vetted by the attorney general's office with background checks, fingerprinting, and business information. We have paid our license fees. The additional of excise taxes and duplication of scrap purchase information we already collect would be an unnecessary burden for us to bear, but most importantly these additions would do nothing to reduce metal theft.

Thank you for taking the time to read my written testimony.

Sincerely,



Von Fahrenbruch, President

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