

February 18, 2011

The Honorable Pat Colloton, Chairperson  
House Committee on Corrections and Juvenile Justice  
Statehouse, Room 167-W  
Topeka, Kansas 66612

Dear Representative Colloton:

**SUBJECT:** Fiscal Note for HB 2312 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2312 is respectfully submitted to your committee.

HB 2312 would establish a scrap metal dealer license. The bill would require that on and after January 1, 2012, a business must have a license to purchase regulated scrap metal. Applications for a license would be made either to the governing body of a city or the board of county commissioners. The bill provides policies and procedures for application, issuance, renewal, and revoking or suspending a license. HB 2312 provides procedures for licensees to appeal to the district court if their license is suspended or revoked. The Attorney General would prepare the application form and the bill describes the information that should be on the application, which would include certain criminal history. The city's governing body or the board of county commissioners would set the application fee and would be no less than \$100 but no more than \$400. An annual license fee would also be set and would be in addition to the application fee, which would be between \$25 and \$50. HB 2312 lists instances when a license would not be issued. Theft of regulated scrap metal would be a crime and the bill provides penalties for varying offenses. Finally the bill requires that certain transactions would be paid only with a renumbered check from a bank account in the name of the scrap metal dealer and be payable to the person selling the property.

Passage of HB 2312 would increase revenues for those cities and counties where scrap metal dealers are located. The bill would also increase expenditures for processing, issuing, and revoking or suspending licenses. Since there are no data on the number of applications that will be processed, a precise fiscal effect cannot be determined.

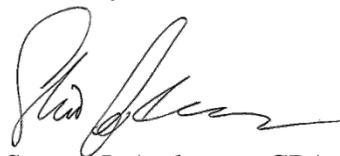
The Attorney General indicates that any cost associated with preparing the application form would be negligible and could be absorbed within the agency's existing budget. The Kansas Bureau of Investigation states that even though the bill does not require a criminal history record check, a city or county may choose to request one since the bill prohibits a license to be issued if the applicant has committed certain crimes. However, no estimated is provided since there is no data to estimate how many record checks would be requested.

HB 2312 has the potential for increasing litigation in the courts because of the new violation created by the bill. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to predict the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a precise fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources.

The Kansas Sentencing Commission estimates that passage of HB 2312 would result in an increase between four to six adult prison beds in FY 2012 and an increase between six to 12 adult prison beds by FY 2021. Currently, the number of male inmates exceeds the available bed capacity of 8,259, and based upon the Kansas Sentencing Commission projections, it is estimated that at the end of FY 2011 and FY 2012, the number of male inmates will exceed available capacity by 235 beds and 394 beds, respectively. To address capacity issues, the Governor's recommended FY 2012 budget includes \$2.5 million for contract prison beds. If it is determined that facility construction is necessary, the Department of Corrections has identified two capacity expansion projects: two high medium security housing units at El Dorado Correctional Facility that would provide 512 beds with a construction cost of \$22,687,232 (\$44,311 per bed X 512) and operating costs of \$9,339,904 (\$18,242 per bed X 512); and one minimum security housing unit at Ellsworth Correctional Facility that would provide 100 beds with a construction cost of \$5,935,000 (\$59,350 per bed X 100) and operating costs of \$1,832,000 (\$18,320 per bed X 100).

Any capacity needed beyond the options outlined above could require additional contract or construction costs. The actual construction costs would depend upon the security level of the beds to be constructed and when construction is actually undertaken, while the actual operating costs would depend upon the base salary amounts, fringe benefit rates, per meal costs, per capita health care costs, and other cost factors applicable at the time the additional capacity is occupied. Likewise, any further prison commitments that result in additional parolees could require additional staff and resources so that the additional parolees can be effectively supervised. Any fiscal effect associated with HB 2312 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Larry Baer, League of KS Municipalities  
Melissa Wangemann, KS Association of Counties  
Mary Rinehart, Judiciary  
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