

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6019S.01I
Bill No.: SB 1430
Subject: Consumer Protection; Crimes and Punishment; Property, Real and Personal;
Department of Revenue
Type: Original
Date: March 9, 2026

Bill Summary: This proposal modifies and creates new provisions relating to regulation of certain metals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(\$900,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$900,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§301.010, 301.218, 301.225, 407.298, 407.299, 407.300, 407.303 & 407.304 – Regulation of Certain Metals

Officials from the **Missouri Office of Prosecution Services** and **Office of the State Courts Administrator** did not respond to **Oversight’s** request for fiscal impact for this proposal.

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

Administrative Impact

To implement the proposed changes, the Department of Revenue would be required to:

- Create new online resource for public use
- Create new online reporting for licensees, DOR reporting of licensee information, and for law enforcement purposes
- Update current procedures, correspondence letters, and information on the website
- Implement new call lines and/or update current lines to handle these calls
- Update the Dealer and Business operating manual
- Send communications to stakeholders as applicable

FY 2027 – Systems Analysis & Support

Associate Research/Data Analyst 996 hrs. @ \$31.16/hr. = \$31,035

Research/Data Analyst 249 hrs. @ \$37.14/hr. = \$9,248

Administrative Manager 125 hrs. @ \$51.40/hr. = \$6,425

FY 2027 – Strategy & Communications Office

Associate Research/Data Analyst 150 hrs. @ \$31.16/hr. = \$4,674

Research/Data Analyst 60 hrs. @ \$37.14/hr. = \$2,228

Total = \$53,610

There is no data to assist in determining the volume of orders the department will receive. If the increase is more significant than anticipated, and unable to be absorbed by existing staff, additional FTE may be requested through the routine appropriations process.

Oversight assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

FUSION Impact

DOR notes:

Development: 4000 hrs. @ \$225/hr. = **\$900,000**

The fiscal impact estimated above is based on changes in the current Department's Motor Vehicle system environment. The implementation of this legislation will be coordinated with the integration of the Department's Motor Vehicle and Driver Licensing software system approved and passed by the general assembly in 2020 (Senate Bill 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

Oversight does not have information to the contrary and therefore, Oversight will reflect the FUSION estimates as provided by DOR.

Oversight notes a violation of the provisions of this proposal results in a misdemeanor charge which carries only a fine. The fine revenue for the ticket goes to local school funds. Oversight assumes there will be some (less than \$250,000) amount of fine revenue from violations of the statute. For simplicity, Oversight will not reflect the increased revenue from fines to various state funds and local political subdivisions.

Officials from the **Phelps County Sheriff, Kansas City Police Department** and **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local law enforcement agencies were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost</u> (§§301.010 – 407.304) – FUSION costs p.4	<u>(\$900,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$900,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small scrap yards could be impacted as a result of this proposal.

FISCAL DESCRIPTION

The act creates and modifies provisions relating to regulation of certain metals.

Under the act, no metal recycling entity or scrap metal yard shall accept scrap metal or metal parts, except as an incident to the sale, repair, rebuilding or servicing of vehicles.

The Director of the Department of Revenue shall designate businesses that deal with scrap metal and metal parts as a "metal recycling entity" or "scrap metal yard" to which the Department issues certain business licenses.

Any person who accepts certain metals in violation of the act, shall be guilty of a class A misdemeanor punishable by a fine. This provision shall not preclude the person to be prosecuted for any other applicable criminal offense.

After August 28, 2026, an application for a license may be denied, or any current license may be revoked or suspended by the Department if the applicant or licensee committed certain acts, as described in the act.

Any person licensed or required to be licensed under the act shall maintain certain records for three years on copper, brass, or bronze material, as described in the act.

Subject to the time frame described in the act, a metal recycling entity or a scrap metal yard shall send an electronic transaction report to the Department on the Department's website using a statewide electronic reporting system established by the Department, as described in the act. The report shall contain certain information required to be recorded as described in the act, except that the disclosure of the weight and purchase price of the regulated metal shall not be required.

The entity or yard may submit the transaction report by fax subject to certain requirements as described in the act.

The Department shall post on its website a summary of the reports under the act. Such reports shall only be accessible to metal recycling entities and scrap metal yards that are required to submit information to the Department under the act. Requirements for the summary are described in the act.

The Department shall make available on its website a publicly accessible list of all licensed metal recycling entities and scrap metal yards. The list shall contain certain information described in the act. Information on the list shall not be subject to public disclosure, except for law enforcement purposes.

The Department may promulgate rules for the development of a statewide electronic reporting system to track the sales of regulated metals, as described in the act.

Every purchaser or collector of, or dealer in, junk, scrap metal, or secondhand property for resale shall only make purchases or trades between 7 a.m. and 7 p.m.

The act provides that there shall be a separate record for each transaction involving any regulated metal. The act repeals the list of items to be on such record as described in current law. The record shall contain a photo of any regulated metal purchased and an affidavit stating that the seller owns and has the authority to sell the metal.

Anyone who knowingly purchases a stolen regulated metal shall be subject to certain penalties described in current law.

No metal recycling entity or scrap metal yard shall purchase any regulated metal from certain sellers, as described in the act.

A metal recycling entity or scrap metal yard shall maintain in a prominent place of the entity or yard's place of business in open view to the seller of a regulated metal certain notices, as described in the act.

A metal recycling entity or scrap metal yard making a payment in any amount, instead of \$500 or more as currently provided, shall make such payment by issuing a prenumbered check as described in current law.

The act modifies certain provisions relating to cash payments and provides that no scrap metal dealer, metal recycling entity, or scrap metal yard shall pay in the form of cash. This provision shall not apply to any transaction for which the seller has an existing business relationship with a metal recycling entity or scrap metal yard and is known to the entity or yard making the purchase to be an established business.

The Department shall provide to every scrap metal dealer, metal recycling entity, or scrap metal yard an electronic list with the names and descriptions of persons known to be receivers of stolen property. No scrap metal dealer, metal recycling entity, or scrap metal yard shall purchase or receive regulated metals from any person identified on the list.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department



Julie Morff
Director
March 9, 2026
KB:LR:OD



Jessica Harris
Assistant Director
March 9, 2026