

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 14, 2008
POSITION: Neutral

BILL NUMBER: SB 691
AUTHOR: R. Calderon

BILL SUMMARY: Junk Dealers and Recyclers: Nonferrous Metals

Under current law, every junk dealer and recycler must keep a written record of all sales and purchases, and must allow inspection of those records by a law enforcement official holding a warrant or court order authorizing inspection.

This bill would require additional recordkeeping and impose new payment restrictions on junk dealers and recyclers when purchasing nonferrous material. It would also double the fines for willful violation of recordkeeping requirements by junk dealers and recyclers.

FISCAL SUMMARY

Finance estimates this bill would have no direct state General Fund impact. We do not believe that it would result in reimbursable costs for local governments since it defines a crime, and does not require the provision of a new or higher level of service to the public.

COMMENTS

- Finance does not have any fiscal concerns with this bill and notes that it may help deter increasing thefts from individuals, businesses and public agencies.

ANALYSIS

A. Programmatic Analysis

Under current law, every junk dealer and recycler must keep a written record of all sales and purchases, and must allow inspection of those records by a law enforcement official holding a warrant or court order authorizing inspection. The records must contain:

Analyst/Principal (0762) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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- The place and date of each sale or purchase.
- The name, driver's license number or state-issued identification number of the seller, and the vehicle license number of any motor vehicle used in transporting the junk to the dealer's or recycler's place of business.
- A description of the item or items of junk purchased or sold, and a statement indicating either that the seller of the junk is the owner of it, or the name of the person he or she obtained it from, as evidenced by a signed transfer document.

Existing law provides that when a peace officer has probable cause to believe the property in the possession of a junk dealer or recycler is stolen, the peace officer may place a hold on the property for a period not to exceed 90 days.

This bill would:

- Require a junk dealer or recycler to report all information currently required to be collected under existing law to the chief of police or the county sheriff upon request and on a monthly basis. A chief of police or county sheriff would be authorized to require the information on a weekly basis if there is an ongoing criminal investigation of the junk dealer or recycler.
- Increase the fines and punishments for non-compliance with record-keeping requirements from \$500 to \$1,000 for the first offense, or by imprisonment for not less than 30 days, or by both fine and imprisonment; from \$1,000 to \$2,000 for second offense, or by imprisonment for not less than 30 days, or by both fine and imprisonment. Increases the fine for a third and subsequent offense from \$2,000 to \$4,000 and increases the possible term of imprisonment from not less than six months to not less than one year.
- Prohibit a junk dealer or recycler from providing payment for nonferrous materials unless the payment is made by check and mailed to the seller's address, as indicated by identifying materials. Permits in-person payment to the seller only on or after the third business day after the sale, provided the dealer has obtained a photograph of the seller and other specified identifying information.
- Require the junk dealer to preserve all information obtained for two years after the date of the sale. Exempts from this requirement certain sellers with whom the junk dealer has engaged in frequent transactions, as specified.
- Require the junk dealer or recycler to obtain a thumbprint of the seller, as prescribed by the Department of Justice, keep the thumbprint, either in hard copy or electronic form, for a period of two years after the date of the sale, make the thumbprint available to a law enforcement agent if the law enforcement agent has probable cause to believe that property in the possession of the junk dealer or recycler has been stolen.

B. Fiscal Analysis

Finance estimates this bill would have no direct state General Fund impact. We do not believe that it would result in reimbursable costs for local governments since it defines a crime, and does not require the provision of a new or higher level of service to the public.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	
0001/Major Rev	SO	No		----- No/Minor Fiscal Impact -----					0001