

HF9052 - 0 - License to Sell Copper Metal Required

Chief Author: **Athena Hollins**
 Committee: **Commerce Finance And Policy**
 Date Completed: **3/11/2024 9:00:35 AM**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	61	61	61	61
Total	-	-	61	61	61	61
Biennial Total			61			122

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	.75	.75	.75
Total	-	-	.75	.75	.75

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/11/2024 9:00:35 AM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	61	61	61
Total	-	-	-	61	61	61
	Biennial Total			61		122
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	116	116	116
Total	-	-	-	116	116	116
	Biennial Total			116		232
2 - Revenues, Transfers In*						
General Fund	-	-	-	55	55	55
Total	-	-	-	55	55	55
	Biennial Total			55		110

Bill Description

This bill seeks to add a licensure requirement for scrap metal copper purchasers or sellers administered by Commerce. It also includes enforcement authority for the new licensure requirement.

The proposal is embedded in chapter 325E.21, which preserves the Department of Public Safety’s ability to enforce the rest of 325E.21 and still requires registration of the scrap metal dealer (buyers) with the Department of Public Safety. The bill as written, would include more people than just scrap metal dealers it would include any person who seeks to sell copper.

The statute is effective January 1, 2025.

Assumptions

The estimated number of scrap metal dealers that conduct business in Minnesota is 110. However, not all scrap metal dealers will buy copper. The number of scrap metal dealers that will buy copper is unknown. For the purpose of this note, Commerce assumes all registered scrap metal dealers (110) will buy and sell copper. This statute also includes licensing requirements for all sellers of copper. For the sake of this note, Commerce assumes the number of potential licensees would be 110, although the true number is unknown.

Commerce also assumes that with this statute change, no background check of any licensee would be required.

Expenditure and/or Revenue Formula

For implementation and ongoing review

.25 FTE (SPA Int.) for licensing.

.5 FTE (Sr. Investigator) for enforcement.

			FY25	FY26	FY27	FY28
Salary			68,283	68,283	68,283	68,283
Fringe			20,485	20,485	20,485	20,485

Other Personnel Related Costs	27,514	27,514	27,514	27,514
	116,281	116,281	116,281	116,281

Revenue would depend on the number of people who get a license. Commerce assumes a \$250 fee for initial license and a \$250 fee for renewal.

Buyers of copper $110 \times \$250 = \$27,500/\text{year}$

Sellers of copper unknown number $\times \$250$

The actual number of sellers is unknown, however for illustration, Commerce assumes 110, in alignment with the buyers, at \$27,500 per year.

Long-Term Fiscal Considerations

Since licensing requires renewal, the fiscal impact would remain consistent for the foreseeable future.

Local Fiscal Impact

References/Sources

Agency Contact:

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