

# Preliminary

Consolidated Fiscal Note

2023-2024 Legislative Session

## HF30 - 0 - Catalytic Converter Purchase Requirements

Chief Author: **Ruth Richardson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed:  
 Lead Agency: **Commerce Dept**  
 Other Agencies:  
     Corrections Dept           Public Defense Board  
     Sentencing Guidelines    Supreme Court  
     Comm

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
State Total						
	<b>Total</b>	-	-	-	-	-
	<b>Biennial Total</b>			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
	<b>Total</b>	-	-	-	-

### Lead LBO Analyst's Comment

LBO Signature:    Date:  
 Phone:            Email:

# Preliminary

## 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 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

# Preliminary

Fiscal Note

2023-2024 Legislative Session

## HF30 - 0 - Catalytic Converter Purchase Requirements

Chief Author: **Ruth Richardson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed:  
 Agency: **Corrections 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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

### 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:** Karen McKey    **Date:** 1/20/2023 11:20:36 AM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov

# Preliminary

## 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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

H.F. 30 establishes new requirements for purchasing catalytic converters and amends existing requirements. Scrap-metal dealers must train employees on the new requirements, and new criminal penalties are established for violating requirements on purchasing or possessing catalytic converters: misdemeanor, gross misdemeanor, and felony (**section 4**).

**Section 7** allows the commissioner of public safety to conduct periodic audits of scrap-metal dealers to ensure compliance with the catalytic-converter theft-prevention requirements.

**Section 9** establishes that a catalytic converter possessed in violation of section 325E.21 will be considered contraband and will be summarily forfeited to the appropriate agency upon a conviction.

## Assumptions

The Minnesota Sentencing Guidelines Commission assumes:

1. Owing to the COVID-19 pandemic, the cases sentenced in 2020 and 2021 are not necessarily fair approximations of cases sentenced in the future;
2. Because no statutory maximum is specified for the felony offense, the commission assumes that the statutory maximums under section 609.03 (punishment when not otherwise fixed) will apply: a five-year statutory maximum for a felony;
3. According to the commission's monitoring data, there was one felony case of precious metal and scrap dealers that was sentence between 2017 and 2021. The case did not receive a prison sentence. According to data from the Minnesota Judicial Branch, there was one conviction for the existing misdemeanor under section 325E.21 from 2017 to 2021; and
4. That scrap-metal dealers and other possessors and purchasers of used, detached catalytic converters will comply with the bill's new requirements.

## Expenditure and/or Revenue Formula

N/A

## Long-Term Fiscal Considerations

N/A

## Local Fiscal Impact

# Preliminary

Local units of government are not expected to incur any costs as a result of the bill.

## **References/Sources**

Department of Corrections Staff

Minnesota Sentencing Guidelines Commission

## **Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Kwesi Pasley

**Phone:** 651-259-3667

**Date:** 1/20/2023 9:48:49 AM

**Email:** kwesi.pasley@state.mn.us

# Preliminary

Fiscal Note

2023-2024 Legislative Session

## HF30 - 0 - Catalytic Converter Purchase Requirements

Chief Author: **Ruth Richardson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed:  
 Agency: **Public Defense Board**

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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-

### 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:** Karen McKey    **Date:** 1/20/2023 3:32:12 PM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov

# Preliminary

## 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 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

## Bill Description

The bill would prohibit possession of a catalytic converter that is not attached to a motor vehicle unless the converter is marked with the date the converter was removed from the vehicle and the identification number of the vehicle from which the converter was removed, or the converter has been EPA certified for reuse as a replacement part.

The bill would also prohibit the purchase of a used catalytic converter that is not EPA certified by anyone who is not a registered scrap metal dealer unless the converter is attached to a motor vehicle.

The bill would also prohibit scrap metal dealers from purchasing a catalytic converter that is not attached to a motor vehicle unless it has the proper registration identification, and the converter may not be sold as a replacement part unless it has the proper registration numbers.

The possession of one converter not properly registered or attached to the vehicle is a misdemeanor, two converters is a gross misdemeanor, and three or more in possession is a felony.

## Assumptions

It is not anticipated that the bill will have a significant impact on caseloads or workloads

## Expenditure and/or Revenue Formula

## Long-Term Fiscal Considerations

## Local Fiscal Impact

## References/Sources

### Agency Contact:

Agency Fiscal Note Coordinator Signature: Kevin Kajer

Phone: 612-279-3508

Date: 1/20/2023 3:27:35 PM

Email: Kevin.kajer@pubdef.state.mn.us

# Preliminary

Fiscal Note

2023-2024 Legislative Session

## HF30 - 0 - Catalytic Converter Purchase Requirements

Chief Author: **Ruth Richardson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed:  
 Agency: **Sentencing Guidelines Comm**

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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

### 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:** Karen McKey    **Date:** 1/19/2023 10:30:55 AM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov

# Preliminary

## 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 Dollars in Thousands	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-
<b>2 - Revenues, Transfers In*</b>					
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

## Bill Description

The bill amends Minn. Stat. section 325E.21 (scrap metal dealers) to create three new crimes.

Subdivision 11 (possession) prohibits possessing a used, detached catalytic converter that is neither associated with a particular motor vehicle by permanent marking nor EPA-certified for reuse as a replacement part.

Subdivision 12 (purchase by a non-dealer) prohibits purchasing a used, detached catalytic converter by someone not a registered scrap metal dealer unless it is EPA-certified for reuse as a replacement part.

Subdivision 14 (purchase by a dealer) prohibits a scrap metal dealer from purchasing a used, detached catalytic converter without the markings required under subdivision 11 and without the seller providing proof of ownership of the vehicle. Limited exceptions apply. The subdivision also requires the dealer to input the identifying information into a law enforcement database beginning August 1, 2024; prohibits the dealer from processing, selling, or removing the catalytic converter for one week; and requires remote payment for the purchased catalytic converter, delayed five days after sale.

Depending on the number of catalytic converters purchased or possessed, each crime is a misdemeanor (one), gross misdemeanor (two), or felony (three or more).

Catalytic converters possessed in violation of the section are classified as contraband and are summarily forfeited upon conviction under the section.

This bill is effective August 1, 2023, and applies to crimes committed on or after that date.

## Assumptions

It is assumed that due to the COVID-19 health pandemic, the cases sentenced in 2020 and 2021 are not necessarily fair approximations of cases sentenced in the future.

Because no statutory maximum is specified for the felony offense, it is assumed that the statutory maximums in Minn. Stat. § 609.03 (punishment when not otherwise fixed) will be applied: a five-year statutory maximum for a felony.

One of the responsibilities of the Commission is to assign severity-level (SL) rankings to new felony offenses passed by the Legislature. The Commission bases its decisions, in part, on the level of harm caused and the culpability of the person. The statutory maximum is also considered.

There is an existing felony offense for precious metal and scrap dealers under Minn. Stat. section 609.526, which is ranked as follows: Second or subsequent (10-year stat. max.); ranked at SL 4; monetary value of \$1,000 or over (10-year stat. max.) ranked at SL 3; and monetary value of \$501 to \$999 (5-year stat. max.) ranked at SL 2. It is assumed the Commission would rank the new felony (three or more) possessions or purchase of a catalytic converter at SL 2, based on the fact that it is the same statutory maximum. At SL 2, cases with a criminal history score of 6 or more are recommended

# Preliminary

prison sentences (“Presumptive Commitment”).

According to MSGC Monitoring Data, there was one felony case of precious metal and scrap dealers that was sentence between 2017 and 2021. The case was ranked at SL 2 and did not receive a prison sentence. According to Minn. Judicial Branch data obtained by MSGC from its website, there was one conviction for the existing misdemeanor under Minn. Stat. section 325E.21, from 2017 to 2021.

Catalytic converter theft in Minnesota appears widely reported in media. According to officials interviewed for a recent Pioneer Press article, “[I]n St. Paul, catalytic converter thefts rose steadily between 2014 and 2019, when there were 345 reports filed to police, before soaring to 1,166 in 2020. Last year’s numbers came in at 1,877, and there’ve been 2,156 reported thefts in St. Paul through Oct. 13 of this year.” However, existing convictions for scrap metal dealers are very low and MSGC has no basis for assuming convictions will increase; rather, it is assumed that scrap metal dealers and other possessors and purchasers of used, detached catalytic converters will comply with the bill’s new requirements.

## **Expenditure and/or Revenue Formula**

### **Long-Term Fiscal Considerations**

Based on the above assumptions, there will be no local government fiscal impact.

### **Local Fiscal Impact**

Based on the above assumptions, there will be no impact on state correctional resources.

## **References/Sources**

MSGC Monitoring Data, 2017-2021.

Minn. Judicial Branch, 2017-2021, retrieved 1/13/2023 at <https://mncourts.gov/Help-Topics/Court-Statistics/District-Court-Criminal-Charges-Data.aspx>.

Ferraro, N. (2022, November 3). *Bust of nationwide catalytic converter theft ring included mn search warrants*. Twin Cities. Retrieved January 13, 2023, from <https://www.twincities.com/2022/11/03/catalytic-converter-theft-ring-bust-mn-search-warrants>

### **Agency Contact:**

**Agency Fiscal Note Coordinator Signature:** Jill Payne

**Date:** 1/17/2023 9:05:56 AM

**Phone:** 651-757-1725

**Email:** [jill.payne@state.mn.us](mailto:jill.payne@state.mn.us)

# Preliminary

Fiscal Note

2023-2024 Legislative Session

## HF30 - 0 - Catalytic Converter Purchase Requirements

Chief Author: **Ruth Richardson**  
 Committee: **Commerce Finance And Policy**  
 Date Completed:  
 Agency: **Supreme Court**

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
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
<b>Total</b>	-	-	-	-	-	-

### 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:** Karen McKey    **Date:** 1/19/2023 10:32:01 AM  
**Phone:** 651-284-6429    **Email:** karen.mckey@lbo.mn.gov

# Preliminary

## 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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

## Bill Description

This bill amends Minn. Stat. § 325E.21, at subdivisions 1b, 2, and 5, and adds a new subdivision 13 to modify the records and training requirements for scrap metal dealers relating to catalytic converters; and amends subdivision 6 and adds new subdivisions 11, 12, and 14 to add gross misdemeanor and felony level penalties for possession or purchase of more than one catalytic converter. The bill also amends section 609.5316, subdivision 3 to add catalytic converters to the forfeiture provisions governing weapons, telephone cloning paraphernalia, automated sales suppression devices, and bullet-resistant vests.

## Assumptions

According to judicial branch data, no cases were filed between 2018 and 2022 charging a violation of the existing provisions in section 325E.21. Thus, although catalytic-converter related crimes are widely reported by the media, it is assumed that the provisions of this bill would not significantly increase case filings or measurably impact the judicial branch.

## Expenditure and/or Revenue Formula

The provisions of this bill are not anticipated to have a significant fiscal impact on the judicial branch.

## Long-Term Fiscal Considerations

None

## Local Fiscal Impact

None

## References/Sources

### Agency Contact:

Agency Fiscal Note Coordinator Signature: Janet Marshall

Phone: 651-297-7579

Date: 1/18/2023 9:51:16 AM

Email: Janet.marshall@courts.state.mn.us

# Preliminary