

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 694** HLS 21RS 1348  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 30, 2021 7:56 AM	<b>Author:</b> HARRIS, LANCE
<b>Dept./Agy.:</b> Statewide	<b>Analyst:</b> Kimberly Fruge
<b>Subject:</b> Proof Requirement for Recycling of Catalytic Converters	

FEES/LICENSES/PERMITS OR SEE FISC NOTE GF RV Page 1 of 1  
 Provides for the resale of catalytic converters

Present law requires buyers of certain scrap metals to obtain a signed statement from the seller attesting that the property is not stolen.

Proposed law requires that persons selling catalytic converters additionally provide documents of the origin or pay a \$500 fee that shall be deposited into the state general fund.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>


<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**  
 There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**  
 There may be an increase in state revenue as a result of this measure; however, it is likely to be minimal. Proposed law would require sellers of catalytic converters to provide proof of origin or pay a \$500 fee that would be deposited into the state general fund. The purpose of this measure is to deter the theft of catalytic converters. According to the National Insurance Crime Bureau, 2020 saw a monthly average of 1,200 catalytic converters being stolen nationwide. There is no comprehensive data on how often catalytic converters were stolen in Louisiana or how many catalytic converters were recycled in Louisiana in the past year.

Catalytic converters are valuable because of the precious metals (platinum, palladium, and rhodium) located on the inside of the converter. Research shows that most catalytic converters are sold to recyclers for \$50 - \$500 with some online and black-market buyers offering up to \$1,000 for high-end catalytic converters.

There are currently at least 21 states (excluding Louisiana) that are considering or have legislation that attempts to deter the theft of catalytic converters -- Arkansas, Georgia, Hawaii, Illinois, Indiana, Iowa, Minnesota, Missouri, New Mexico, New York, North Carolina, North Dakota, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, and West Virginia. Restrictions on the recycling of catalytic converters range from providing an affidavit indicating the converter was not stolen, to keeping exact records and pictures of buyers, sellers, or catalytic converter VINs or stock number, to strict limitations on who can purchase (licenses and permits) and who can sell catalytic converters to recyclers (strictly commercial sellers).

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<b>Alan M. Boxberger</b> <b>Staff Director</b>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	