

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	0	0	153,000	0	0	200,000	0	0	200,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>153,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Caseload Forecast Council	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Patrol	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	23,000	.0	0	0	0	.0	0	0	0
Department of Children, Youth, and Families	Fiscal note not available											
Department of Corrections	.0	5,000	5,000	5,000	.0	0	0	0	.0	0	0	0
Department of Corrections	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	<b>0.0</b>	<b>5,000</b>	<b>5,000</b>	<b>28,000</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Caseload Forecast Council	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	Fiscal note not available								
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

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<b>Prepared by:</b> Kyle Sieferting, OFM	<b>Phone:</b> (360) 995-3825	<b>Date Published:</b> Preliminary 4/ 5/2023
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft	<b>Agency:</b> 055-Administrative Office of the Courts
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

**Estimated Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note for Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.

Contact	Phone:	Date: 03/30/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 04/03/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 04/03/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 04/05/2023

187,331.00

Form FN (Rev 1/00)

Request # 271-1

Bill # 5740 S SB

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would create a new class C and Class B felony for catalytic converter theft.

Section 9 would make each catalytic converter possessed or trafficked in violation of the amended statute a separate violation with up to a \$1,000 fine.

### II. B - Cash Receipts Impact

The fiscal impact of Section 9 is indeterminate. There is no data to understand how many additional violations will occur and be assessed up to \$1,000.

### II. C - Expenditures

No fiscal impact expected to the Administrative Office of the Courts or the courts. The bill would not have a court impact because it adds to an existing list of crimes.

## Part III: Expenditure Detail

### III. A - Expenditure By Object or Purpose (State)

NONE

### III. B - Expenditure By Object or Purpose (County)

NONE

### III. C - Expenditure By Object or Purpose (City)

NONE

### III. D - FTE Detail

NONE

### III. E - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B1 - Expenditures by Object Or Purpose (State)

NONE

### IV. B2 - Expenditures by Object Or Purpose (County)

NONE

### IV. B3 - Expenditures by Object Or Purpose (City)

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

187,331.00

Form FN (Rev 1/00)

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft	<b>Agency:</b> 101-Caseload Forecast Council
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/30/2023
Agency Preparation: Clela Steelhammer	Phone: 360-664-9381	Date: 03/31/2023
Agency Approval: Clela Steelhammer	Phone: 360-664-9381	Date: 03/31/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 04/04/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

See attached.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

None.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

See attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# **SSB 5740**

## **DETERRING CATALYTIC CONVERTER THEFT**

**101 – Caseload Forecast Council**  
**March 31, 2023**

### **SUMMARY**

**A brief description of what the measure does that has fiscal impact.**

Section 1 States legislative intent of the bill.

Section 2 Adds a new section to chapter 19.290 RCW stating nothing in the chapter shall be construed to authorize licensed scrap metal businesses to purchase or sell junk vehicles or major component parts.

Section 3 Amends RCW 19.290.010 by adding definitions for “Purchaser” and removing the definition for “Private Metal Property” and used as a term within other definitions.

Section 9 Amends RCW 19.290.080 by stating each catalytic converter possessed or trafficked that are not subject to criminal penalties is a separate violation.

Section 13 Amends RCW 46.79.010 by including catalytic converts to the definition of “Major Component Parts.”

Section 14 Adds a new section to chapter 46.79 RCW by establishing a new gross misdemeanor for:

- Acquiring a vehicle or major component part other than by first obtaining title or other required documentation;
- Willfully misrepresenting the physical condition of any motor or integral part of a vehicle; or
- Procure a license fraudulently or dishonestly.

Section 15 Amends RCW 46.80.010 including catalytic converts to the definition of “Major Component Parts.”

Section 17 Adds a new section to chapter 9A.82 RCW, establishing a new Class C felony offense of Trafficking in Catalytic Converters in the Second Degree.

Section 18 Adds a new section to chapter 46.80 RCW by increasing license under RCW 46.80.040 and 46.80.050 to include a \$500 catalytic converter inspection fee.

Section 19 Adds a new section to chapter 9A.82 RCW, establishing a new Class B felony offense of Trafficking in Catalytic Converters in the First Degree.

Section 20 Adds a new section to chapter 9A.82 RCW, establishing a new gross misdemeanor for any person who is not a licensed scrap processor or vehicle wrecker to knowingly sell or offer for sale one or more catalytic converters that have been removed from vehicles without first permanently marking each catalytic converter involved in the transaction with the last 8 digits of the vehicle identification number of the motor vehicle from which the catalytic converter was removed.

Section 21 Amends RCW 9.94A.515 by ranking Trafficking in Catalytic Converters in the First Degree at Seriousness Level 4 on the Adult Felony Sentencing Grid and ranking Trafficking in Catalytic Converters in the Second Degree at Seriousness Level 3.

Section 22 States Section 18 takes effect January 1, 2024.



Section 23 States all other sections (other than Section 18) take effect May 1, 2023.

## **EXPENDITURES**

### **Assumptions.**

None.

### **Impact on the Caseload Forecast Council.**

None.

### **Impact Summary**

This bill:

- Establishes new gross misdemeanor offenses; and
- Establishes and ranks new Class B and Class C felony offenses

### **Impact on prison and jail beds**

This bill establishes and ranks the Class B and Class C felony offenses of Trafficking in Catalytic Converters in the First Degree and Second Degree. The Caseload Forecast Council (CFC) has no information concerning how many incidents of the newly established felony offenses may occur or the sentences that might actually be imposed for the new offenses. As such, the CFC cannot reliably predict bed impacts resulting from the bill.

However, as a Class B felony ranked at Seriousness Level 4 on the Adult Felony Sentencing Grid, Trafficking in Catalytic Converters in the First Degree would be punishable by a standard range term of confinement of between 3-9 months in jail and 63-84 months in prison, depending on the individual's criminal history. The Class C felony offense ranked at Seriousness Level 3 on the Adult Felony Sentencing Grid, Catalytic Converters in the First Degree would be punishable by a standard range term of confinement of between 1-3 months in jail and 51-68 months in prison (limited to 60 months by the statutory maximum sentence for Class C felony), depending on the individual's prior history. As such, any impact should manifest itself as an increased need for jail beds and an increased need for prison beds.

The bill additionally establishes new gross misdemeanor offenses. The Caseload Forecast Council has no information concerning how many incidents of the newly established gross misdemeanors may occur, nor any information concerning how such offenses would be sentenced. As such, the Caseload Forecast Council cannot reliably estimate bed impacts resulting from these provisions of the bill. However, as gross misdemeanor offenses, the newly established offenses would be punishable by a term of confinement of 0-364 days in jail for individuals sentenced as adults. Therefore, any impact would be on jail beds only.

### **Impact on Juvenile Rehabilitation and local beds**

The newly established Class B felony offense of Trafficking in Catalytic Converters in the First Degree would be ranked at Category B on the Juvenile Sentencing Grid. The offense would be punishable by a standard range term of between Local Sanctions (0-30 days in local juvenile detention) and 52-65 weeks in Juvenile Rehabilitation (depending on the number of prior

adjudications) for juveniles adjudicated for the offense. Therefore, incidences of this offense would likely impact both local juvenile detention and Juvenile Rehabilitation beds.

The newly established Class C felony offense would be ranked at Category C on the Juvenile Sentencing Grid. The offense would be punishable by a standard range term of between Local Sanctions (0-30 days in local juvenile detention) and 15-36 weeks in Juvenile Rehabilitation (depending on the number of prior adjudications) for juveniles adjudicated for the offense. Therefore, incidences of this offense would likely impact both local juvenile detention and Juvenile Rehabilitation beds.

There may also be an additional increased need for Juvenile Rehabilitation (JR) beds. Current statutes require individuals sentenced in adult court for an offense committed before the age of 18 to serve to their confinement at a JR facility until age 25, or until release if occurring prior to age 25. As less than 1% of all sentences in the adult system are committed by those less than age 18, it assumed any impacts to JR would be minimal.

The establishment of new gross misdemeanor offenses, ranked as Category D on the juvenile grid, are punishable by Local Sanctions (0-30 days in local juvenile detention) for juveniles adjudicated for the offense. Therefore, any incidence of this offense would likely impact only local juvenile detention beds.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft	<b>Agency:</b> 225-Washington State Patrol
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

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Check applicable boxes and follow corresponding instructions:

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- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

<b>Legislative Contact:</b>	<b>Phone:</b>	<b>Date:</b> 03/30/2023
<b>Agency Preparation:</b> Kendra Sanford	360-596-4080	<b>Date:</b> 04/03/2023
<b>Agency Approval:</b> Shawn Eckhart	360-596-4083	<b>Date:</b> 04/03/2023
<b>OFM Review:</b> Tiffany West	(360) 890-2653	<b>Date:</b> 04/03/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

The substitute version makes multiple changes back to current statutory language related to scrap metal businesses; removes definition of "private metal property" and its inclusion throughout RCW 19.290; limits purchasing of catalytic converters to certain entities; requires scrap metal recycling facilities to permit regular on-site inspections by local law enforcement during business hours; reinstates retention period of five years for scrap metal businesses; removes provisions providing for a catalytic converter inspection fee to be included in a license fee for scrap metal businesses; provides penalties and fines for licensed hulk haulers and scrap processors under certain circumstances; requires we must conduct periodic inspections at least once a year of all licensed businesses under RCW 46.79 and 46.80; creates a new gross misdemeanor for sale of catalytic converters in certain circumstances; and changes effective dates.

These changes eliminate our fiscal impact stated in the prior version.

The proposed legislation does not create a fiscal impact to the Washington State Patrol (WSP).

Section 3 removes definition of "private metal property", and its inclusion in other definitions throughout this section.

Section 4(2) removes requirement that every person involved in the purchase or solicitation of the purchase of a catalytic converter must possess a valid scrap metal license or vehicle wrecker license. This reverts back to original statutory language, which limits catalytic converter purchasing to only certain entities.

Section 9 adds that each catalytic converter possessed or trafficked in violation of RCW 19.290.080 is a separate violation.

New Section 12, subject to available funding, requires the WSP to conduct annual inspections of all licensed purchasers of catalytic converters that have been removed from vehicles that are licensed under chapters 46.79 and 46.80 RCW. The WSP is to develop a standardized inspection form and train local law enforcement agencies, civil employees, and limited authority law enforcement personnel on inspection procedures of licensed purchases. The WSP is to specify which law enforcement agencies have inspection duties, as well as allow for civil or limited authority law enforcement agencies to conduct inspections.

New Section 14 provides hulk hauler or scrap processor penalties and fines.

New Section 18 requires a \$500 catalytic converter inspection fee to be included in license fees requires under RCW 46.80.040 and 46.80.050, and is to be deposited into the state patrol highway account in order to support WSP activities listed in Section 12 of this act.

New Sections 17, 19, and 20 identifies catalytic converter convictions.

New Section 22 makes Section 18 effective January 1, 2024.

New Section 23 makes this legislation effective May 1, 2023 if enacted, excluding New Section 22.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

NONE

## II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Our current workload includes the requirements of Section 12.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

### III. B - Expenditures by Object Or Purpose

NONE

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
State Patrol Highway Account-State 081-1	53,000	100,000	153,000	200,000	200,000
<b>Total \$</b>	53,000	100,000	153,000	200,000	200,000

### Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
Highway Safety Account-State 106 -1	23,000	0	23,000	0	0
<b>Total \$</b>	23,000	0	23,000	0	0

### Estimated Capital Budget Impact:

NONE

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Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/30/2023
Agency Preparation: Gina Rogers	Phone: 360-634-5036	Date: 04/05/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 04/05/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 04/05/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Please see attached fiscal note.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Please see attached fiscal note.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
106-1	Highway Safety Account	State	23,000	0	23,000	0	0
<b>Total \$</b>			23,000	0	23,000	0	0

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	23,000		23,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	23,000	0	23,000	0	0

**III. C - Operating FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

### III. D - Expenditures By Program (optional)

NONE

## **Part IV: Capital Budget Impact**

### **IV. A - Capital Budget Expenditures**

NONE

### **IV. B - Expenditures by Object Or Purpose**

NONE

### **IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

### **IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: SSB 5740

Bill Title: Deterring catalytic converter theft

**Part 1: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts:**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
State Patrol Highway Account	081	53,000	100,000	153,000	200,000	200,000
<b>Account Totals</b>		<b>53,000</b>	<b>100,000</b>	<b>153,000</b>	<b>200,000</b>	<b>200,000</b>

**Estimated Expenditures:**

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Highway Safety	106	23,000	-	23,000	-	-
<b>Account Totals</b>		<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates and alternate ranges (if appropriate), are explained in Part II.*

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Linda Hamilton	Phone: (360) 515-8620	Date:
Agency Preparation: Gina Rogers	Phone: (360) 634-5036	Date: 4/03/2023
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	5740 SSB

## **Part 2 – Explanation**

The substitute bill version removes authority for scrap metal businesses licensed solely under Title 19 RCW to buy/manage catalytic converters and it sets new requirements for licensees related to transaction information and records retention. It also sets requirements for WSP related to inspections, and updates violation penalties. Additionally, the bill requires DOL to include a \$500 catalytic converter inspection fee in their vehicle wreckers licensing fees (to be deposited in the state patrol highway account) to support WSP activities to deter catalytic converter theft.

### **2.A – Brief Description Of What The Measure Does That Has Fiscal Impact**

The substitute bill version makes the following changes:

- The only entities that may purchase catalytic converters are those who must have their records and facilities inspected at least once per year (removes the reference to private metal property from Title 19 RCW and adds catalytic converters to the list of major component parts in Title 46 RCW)
  - Removes authority for scrap metal businesses licensed solely under Title 19 RCW to buy/manage catalytic converters
- Requires scrap metal recycling facilities to allow local law enforcement on-site inspections during business hours
- Reinstates the current record retention period of 5 years for scrap metal businesses
- Restores the current requirement that scrap metal businesses produce a record of each transaction that includes the seller's driver's license or other picture identification card number, or a copy of their picture ID card
- Restores current language providing that a scrap metal business's use of video surveillance complies with documentation requirements, as long as it captures material subject to the transaction
- Restores current language related to scrap metal businesses complying with government requests for transaction transcripts and reporting suspected stolen items
- Provides that WSP must conduct inspections at least once per year of all licensed catalytic converter purchasers that have been removed from vehicles licensed under RCW 46.79 and 46.80
- Removes the addition of a \$500 catalytic converter inspection fee onto scrap metal business licensing fees
- Provides license and criminal penalties and civil fines for licensed hulk haulers and scrap processors
- Creates a new gross misdemeanor crime for individuals who offer/sell catalytic converters removed from vehicles without permanently marking each with the last 8 digits of the VIN from the vehicle it was removed from
- Sets two new effective dates:
  - January 1, 2024 for \$500 catalytic converter inspection fee for vehicle wreckers
  - May 1, 2023 for all other sections

**2.B - Cash receipts Impact**

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
State Patrol Highway Account	081	53,000	100,000	153,000	200,000	200,000
<b>Account Totals</b>		<b>53,000</b>	<b>100,000</b>	<b>153,000</b>	<b>200,000</b>	<b>200,000</b>

The substitute version of this bill would increase revenue collected by the Department of Licensing per Sec. 18, which requires vehicle wreckers to pay an additional \$500 catalytic converter inspection fee when obtaining or renewing a license. This fee will be distributed to the State Patrol Highway Account (081) with the fee effective January 1, 2024. FY 2024 is a partial year (6 months). Starting FY25, the impacts are for 12 months of fees for an estimated 200 vehicle wrecker license transactions per year.

**2.C – Expenditures**

**Information Services:**

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

**What IS Will Implement:**

Create 10 new violations each for hulk haulers and scrap processors complaint cases (20 total).

Project Duration: 2 months

Effective Date: 5/1/2023

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	4,500	-	-	-	-	-	4,500
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	1,700	-	-	-	-	-	1,700
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	2,900	-	-	-	-	-	2,900
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	\$ 16,530	1,700	-	-	-	-	-	1,700
CONTRACTED FAST DEVELOPER / TESTER	Updates to the DRIVES system will require additional vendor hours outside of the contracted maintenance to make system updates to implement this bill.	\$ 37,236	7,400	-	-	-	-	-	7,400
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	2,300	-	-	-	-	-	2,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	2,100	-	-	-	-	-	2,100
<b>Totals</b>			<b>22,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,600</b>

\*Rounding is used

**Part 3 – Expenditure Detail**

**3.A – Operating Budget Expenditures**

<b>Operating Expenditures</b>	<b>Fund</b>	<b>FY 24</b>	<b>FY 25</b>	<b>23-25 Total</b>	<b>25-27 Total</b>	<b>27-29 Total</b>
Highway Safety	106	23,000	-	23,000	-	-
<b>Account Totals</b>		<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>

**3.B – Expenditures by Object or Purpose**

<b>Object of Expenditure</b>	<b>FY 24</b>	<b>FY 25</b>	<b>23-25 Total</b>	<b>25-27 Total</b>	<b>27-29 Total</b>
Goods and Services	23,000	-	23,000	-	-
<b>Total By Object Type</b>	<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>-</b>	<b>-</b>

**Part 4 – Capital Budget Impact**

None.

**Part 5 – New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5740 S SB	<b>Title:</b> Catalytic converter theft	<b>Agency:</b> 310-Department of Corrections
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	5,000	0	5,000	0	0
<b>Total \$</b>	5,000	0	5,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/30/2023
Agency Preparation: James Killough	Phone: (360) 725-8428	Date: 04/04/2023
Agency Approval: Ronell Witt	Phone: (360) 489-4417	Date: 04/04/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 04/04/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

5740 SSB is the newest version of 5740 SB that adds additional requirements and stipulations for the purchase and sale of scrap metal and catalytic converters. In addition to the Class B and Class C felonies from the previous version of this bill, this new version adds additional gross misdemeanors.

Sec. 9 amends RCW 19.290.080 by stating each catalytic converter possessed or trafficked, that are not subject to criminal penalties, is a separate violation and shall be punishable by a fine.

Sec. 10 states that law enforcement agencies may register with the scrap theft alert system that is maintained and provided at no charge to users by the institute of scrap recycling industries.

Sec. 12 adds a new chapter to RCW 43.43 that reads Washington State Patrol (WSP) will conduct and standardize periodic inspections of all licensed purchasers of catalytic converters that have been removed from vehicles. WSP will train local law enforcement agencies, civilian employees, and limited authority law enforcement personnel on inspection procedures of licensed purchasers. WSP will also specify which law enforcement agencies have a duty to complete the inspections and allow inspections to be completed by civilian employees or limited authority law enforcement agencies.

Sec. 14 adds a new section to chapter 46.79 RCW by establishing a new gross misdemeanor for: acquiring a vehicle or major component part and not first obtaining the title or other required documentation, willfully misrepresenting the physical condition of any motor or integral part of a vehicle, procuring a license fraudulently or dishonestly.

Section 20 adds a new section to chapter 9A.82 RCW, establishing a new gross misdemeanor for any person who is not a licensed scrap processor, or vehicle wrecker, to knowingly sell or offer for sale one or more catalytic converters that have been removed from vehicles without first permanently marking each catalytic converter. The mark must include the last 8 digits of the vehicle identification number of the motor vehicle from which the catalytic converter was removed.

The Following Remains Unchanged from the Previous Version of the Bill:

Section 1 states the legislative intent of the bill.

Section 17 adds a new section to chapter 9A.82 RCW, establishing a new Class C felony offense of Trafficking in Catalytic Converters in the Second Degree.

Section 19 adds a new section to chapter 9A.82 RCW, establishing a new Class B felony offense of Trafficking in Catalytic Converters in the First Degree.

Section 21 amends RCW 9.94A.515 by ranking Trafficking in Catalytic Converters in the First Degree at Seriousness Level 4 on the Adult Felony Sentencing Grid and ranking Trafficking in Catalytic Converters in the Second Degree at Seriousness Level 3.

Section 23 states that the act takes effect May 1, 2023.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

None.

## II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000 per Fiscal Year (FY).

This bill establishes new inspection processes for catalytic converter purchasers, gross misdemeanors, a Class B felony, and a Class C felony to deter catalytic converter theft and distribution, or purchase, of stolen catalytic converters. This will require Department of Corrections (DOC) Information Technology (IT) staff to make updates to the Revised Code of Washington (RCW) detail table in Offender Management Network Information (OMNI).

The DOC assumes that the definition of limited law enforcement agency as it is used in section 12, does not apply to it and it will not be responsible to complete inspections of licensed purchasers of catalytic converters.

Impact to DOC IT:

The one-time estimated IT staff hours, and costs, to complete these updates are identified below:

IT Application Development | \$120 per hour x 20 hours = \$2,400

IT Quality Assurance | \$120 per hour x 10 hours = \$1,200

IT Business Analyst | \$120 per hour x 10 hours = \$1,200

Total One-Time IT Staff Costs in FY2023 = \$5,000 (rounded)

Impact on prison and jail beds

This bill establishes and ranks the Class B and Class C felony offenses of Trafficking in Catalytic Converters in the First Degree and Second Degree. The Caseload Forecast Council (CFC) has no information concerning how many incidents of the newly established felony offenses may occur or the sentences that might be imposed for the new offenses. As such, the CFC cannot reliably predict bed impacts resulting from the bill.

However, as a Class B felony ranked at Seriousness Level 4 on the Adult Felony Sentencing Grid, Trafficking in Catalytic Converters in the First Degree would be punishable by a standard range term of confinement between 3-9 months in jail and 63-84 months in prison, depending on the individual's criminal history. The Class C felony offense ranked at Seriousness Level 3 on the Adult Felony Sentencing Grid, Catalytic Converters in the First Degree would be punishable by a standard range term of confinement between 1-3 months in jail and 51-68 months in prison (limited to 60 months by the statutory maximum sentence for Class C felony), depending on the individual's prior history. As such, any impact should manifest itself as an increased need for jail beds and an increased need for prison beds.

The bill additionally establishes new gross misdemeanor offenses. The Caseload Forecast Council has no information concerning how many incidents of the newly established gross misdemeanors may occur, nor any information concerning how such offenses would be sentenced. As such, the Caseload Forecast Council cannot reliably estimate bed impacts resulting from these provisions of the bill. However, as gross misdemeanor offenses, the newly established offenses would be punishable by a term of confinement of 0-364 days in jail for individuals sentenced as adults. Therefore, any impact would be on jail beds only.

The DOC assumes this bill would likely result in an Average Daily Population (ADP) increase, although the impact cannot be reliably estimated. Therefore, the fiscal impact is indeterminate, assumed to be greater than \$50,000 per FY.

Assumptions:

1. The estimated ADP impact to DOC prison facilities/institutions and/or community supervision/violator caseloads is based on projections from CFC.
2. We assume Direct Variable Cost (DVC) of \$6,980 per incarcerated individual per FY to facilitate cost discussions

during legislative session for bills. This cost estimate includes prison and health services DVC. It does not include staffing or dollars necessary for staffing needed at the facility outside of the living/housing units. The DVC is calculated by DOC and reviewed and approved with Office of Financial Management, Senate, and House staff each legislative session.

3. We assume additional impacts will result when ADP caseload changes in either prison or community, and resources will be necessary. The DOC will “true up” our fiscal impact in subsequent budget submittals should the legislation be enacted into session law.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	5,000	0	5,000	0	0
<b>Total \$</b>			5,000	0	5,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	5,000		5,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	5,000	0	5,000	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**III. C - Operating FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administration and Support Services (100)	5,000		5,000		
<b>Total \$</b>	5,000		5,000		

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE



**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*