

**LEGISLATIVE FISCAL ESTIMATE**  
[First Reprint]  
**SENATE, No. 249**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: APRIL 12, 2022

**SUMMARY**

**Synopsis:** Implements certain guidelines concerning purchase of catalytic converters.

**Type of Impact:** Annual State and local expenditure and revenue increases.

**Agencies Affected:** Department of Law and Public Safety, the Judiciary, Office of the Public Defender, local governments

**Office of Legislative Services Estimate**

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual State Revenue Increase	Indeterminate
Annual Local Cost Increase	Indeterminate
Annual Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that the State and local governments will incur an indeterminate amount of annual cost increases to prosecute, defend, and adjudicate individuals who violate the bill’s provisions regarding the sale and purchase of catalytic convertors.
- A presumption of non-incarceration applies to first-time offenders of crimes of the fourth degree and disorderly persons offenses, and so it is unlikely that there will be any cost increases for the Department of Corrections or county jails associated with this bill.
- The State and local governments are also likely to realize an indeterminate increase in revenues from the collection of fines and court fees.

**BILL DESCRIPTION**

The bill modifies existing law on the regulation of scrap metal businesses to incorporate certain provisions concerning catalytic converters. The bill amends the definition of “scrap

metal” to include a used catalytic converter if it is not attached to a motor vehicle. The bill provides that offering for sale a used catalytic converter that is not attached to a motor vehicle is to be limited to a scrap metal business, unless the seller of the used catalytic converter is a registered business that collects, stores, or sells a catalytic converter or any other motor vehicle part. Violations of this bill will constitute a disorderly persons offense for a first or second offense and will constitute a crime of the fourth degree for third and subsequent offenses.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that the State and local governments will incur an indeterminate amount of annual cost increases to prosecute, defend, and adjudicate individuals who violate the bill’s provisions regarding the sale and purchase of catalytic convertors. A disorderly persons offense is adjudicated in municipal court and is punishable by a term of imprisonment of up to six months, a fine of up to \$1,000, or both. A crime of the fourth degree is adjudicated in State court and is punishable by a term of imprisonment of up to 18 months, a fine up to \$10,000, or both. A presumption of non-incarceration applies to first-time offenders of crimes of the fourth degree and disorderly persons offenses, and so it is unlikely that there will be any cost increases for the Department of Corrections or county jails associated with this bill. The State and local governments are also likely to realize an indeterminate increase in revenues from the collection of fines and court fees.

The OLS lacks sufficient information to quantify the fiscal impact of this bill, as it is unclear as to how many individuals would be found guilty of violating its provisions in any given fiscal year. For context, based on estimates provided by the National Insurance Crime Bureau, catalytic converter thefts have risen dramatically nationwide in recent years. In 2019, there were 3,389 claims filed. In 2020, that number jumped 326 percent to 14,443. In a July 2021 report by State Farm, it was found that its catalytic converter theft insurance claims rose nearly 293 percent nationwide from mid-2020 to mid-2021 compared with the previous year.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).