

Proposed

State of Kansas
Kansas Bureau of Investigation

Notice of Public Hearing on Proposed Administrative Regulations

March 18, 2020

A public hearing will be conducted on Tuesday, May 26, 2020, at 9:00 a.m. in the Headquarters Main Conference Room at the Kansas Bureau of Investigation (KBI), 1620 SW Tyler, Topeka, Kansas, to consider the adoption of proposed rules and regulations of the Kansas Bureau of Investigation (KBI), on a permanent basis.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rules and regulations. All interested parties may submit written comments prior to the hearing to the Kansas Bureau of Investigation, 1620 SW Tyler, Topeka, Kansas 66612, or by email to Kelly.McPherron@kbi.state.ks.us. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulations during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request an accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Kelly McPherron at 785-296-8200, (or TYY 1-800-766-3777). Handicapped parking is located on the south end of the KBI building, off of Tyler Street.

Summaries of the proposed regulations and their economic impact follow. (Note: Statements indicating that a regulation is "not anticipated to have any economic impact" are intended to indicate that no economic impact on the KBI, other state agencies, state employees, or the general public has been identified.)

Copies of the proposed regulations and the Economic Impact Statement for the proposed regulations can be requested from: Kelly.McPherron@kbi.state.ks.us, or by writing to Kansas Bureau of Investigation, 1620 SW Tyler, Topeka, KS 66612 (attn: Kelly McPherron).

K.A.R. 10-24-1 – Definitions. This is a new regulation that defines the following terms: "KBI"; "Repository"; "Seller"; and "Transaction." These definitions serve to assist in understanding the terms as they are used in K.A.R. 10-24-2 and 10-24-3. This regulation will have no economic impact.

K.A.R. 10-24-2 – Information to be submitted. This is a new regulation that sets forth what information scrap metal dealers shall submit to the KBI for entry into the repository. An economic impact on scrap metal dealers is possible and potentially could result from a fee time

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spent inputting or submitting the required information. Any possible economic impact would depend on the manner of submission utilized (as set forth in K.A.R. 10-24-3).

K.A.R. 10-24-3 – Manner of submission. This is a new regulation that identifies how information needs to be submitted to the Kansas scrap metal data repository maintained at the KBI. The regulation identifies two manners of submission: an electronic form online or a standard software interface that electronically transfers the information from the scrap metal dealer's transaction storage system to the repository. This regulation may have an economic impact on scrap metal dealers, as one of the manners of submission includes using a standard software interface. If scrap metal dealers opt to utilize an interface, there would be costs associated with building and implementing such an interface.

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Article 24. Kansas Scrap Metal Data Repository

10-24-1. Definitions. As used in this article of the KBI's regulations, each of the following terms shall have the meaning specified in this regulation:

- (a) "KBI" means Kansas bureau of investigation.
- (b) "Repository" means the Kansas scrap metal data repository.
- (c) "Seller" means an individual selling regulated scrap metal to a scrap metal dealer.
- (d) "Transaction" means the purchase or receipt of any junk vehicle or regulated scrap metal by a scrap metal dealer that requires information to be recorded pursuant to K.S.A. 2019 Supp. 50-6,110, as amended by L. 2019, ch. 66, sec. 6, and amendments thereto. (Authorized by and implementing K.S.A. 2019 Supp. 50-6,110, as amended by L. 2019, ch. 66, sec. 6; effective, T- _____, _____; effective P- _____.)

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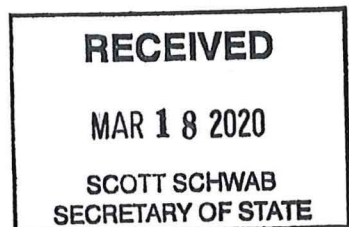
10-24-2. Information to be submitted. For each transaction, each scrap metal dealer shall submit to the KBI the following information for entry into the repository:

- (a) The date and place of the transaction;
- (b) the seller's name, address, date of birth, and sex;
- (c)(1) The identifying number from the seller's driver's license, military identification card, passport, or personal identification license; or
- (2) the identifying number from the seller's official governmental document for a country other than the United States;
- (d) the license number, make, and model of the vehicle in which the junk vehicle or other regulated scrap metal is delivered in the transaction, if applicable;
- (e) a general description, made in accordance with the custom of the trade, of the predominant type of junk vehicle or other regulated scrap metal property purchased in the transaction;
- (f) the weight or quantity, made in accordance with the custom of the trade, of the regulated scrap metal property purchased;
- (g) if a junk vehicle or vehicle part, a description of the junk vehicle or vehicle part, including the make, the model, and either the vehicle identification number or the serial number; and
- (h) the name of the individual acting on behalf of the scrap metal dealer in making the purchase. (Authorized by and implementing K.S.A. 2019 Supp. 50-6,110, as amended by L. 2019, ch. 66, sec. 6; effective, T- _____, _____; effective P- _____.)

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10-24-3. Manner of submission. Each scrap metal dealer shall submit the information specified in K.A.R. 10-24-2 to the repository either by using the KBI's electronic form online or by using a standard software interface to electronically transfer the information from the scrap metal dealer's transaction storage system to the repository. (Authorized by and implementing K.S.A. 2019 Supp. 50-6,110, as amended by L. 2019, ch. 66, sec. 6; effective, T- _____, _____; effective P-_____.)

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**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

Proposed

Kansas Bureau of Investigation
Agency

Kelly McPherron
Agency Contact

296-3150
Contact Phone Number

10-24-1 through 10-24-3 (Permanent Regulations)
K.A.R. Number(s)

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to:

Division of the Budget
900 SW Jackson, Room 504-N
Topeka, KS 66612

I. Brief description of the proposed rule(s) and regulation(s).

Pursuant to Section 2 of 2019 House Bill 2248, the KBI is required, on July 1, 2020, "to establish and maintain a database which shall be a central repository for information required to be provided under K.S.A. 2018 Supp. 50-6,110, and amendments thereto." House Bill 2248 mandated that the KBI promulgate rules and regulations providing which information required to be collected by scrap metal dealers shall be entered in the database and prescribing the manner for submitting such information to the KBI. Accordingly, the proposed rules and regulations set forth the information to be collected and prescribe the manner for submission.

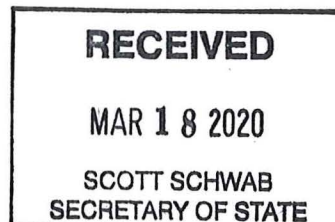
II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)*

These rules and regulations are not mandated by the federal government.

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

Scrap metal dealers will be required to submit specific information to the KBI database (hereinafter referred to as the "repository"). Two submission methods will be available to scrap metal dealers: a software interface or an online electronic form. If they choose the interface option, scrap metal dealers will incur costs associated with building an interface that will allow electronic transfer of information to the repository, which has the potential to restrict business growth temporarily. If scrap metal dealers choose the electronic form submission option, it does not cost; however, scrap metal dealers may incur the cost of hiring an additional employee(s) to manually complete submissions. Interface or employee costs potentially could restrict business activities or growth.



- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;**

Depending on the manner of submission, scrap metal dealers may incur costs associated with development of a software interface. Or, they may incur costs in the form of additional salary and benefits for employees to enter, and submit to the repository, information for scrap metal transactions. The KBI is unable to provide a detailed quantification of implementation and compliance costs because it has no way of knowing what a vendor will charge a scrap metal dealer to build an interface should the dealer choose that submission method. Salary and benefits of additional employees also are unknown to the KBI. Therefore, the implementation and compliance costs could vary based on a variety of factors including the vendor used, the size of the scrap metal business, and the rate of pay for employees.

Public utility ratepayers, individuals, and local governments will not incur any costs.

- C. Businesses that would be directly affected by the proposed rule and regulation;**

Scrap metal dealers.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;**

Benefits of the proposed rules and regulations include providing specificity to scrap metal dealers in terms of what information needs to be submitted to the repository and the methods of submission available. Benefits of the repository itself include improved tracking of regulated scrap metal transactions, which in turn, leads to an improved investigative tool for law enforcement to solve thefts or prevent future thefts.

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;**

Scrap metal dealers are statutorily required to collect specific information related to transactions. The KBI's proposed rules and regulations limit the required information to that which is most useful to law enforcement for scrap metal theft investigations. This also limits the amount of information scrap metal dealers need to submit to the repository, thus minimizing the cost and impact as much as possible while staying within the statutory requirements. There is no known impact to economic development, local government, or individuals.

- F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.**

\$0. If scrap metal dealers utilize the web form of submission to the repository, they would incur no annual implementation or compliance costs for using this form of submission. There is, however, a potential for costs to be incurred if hiring another employee is deemed necessary by the scrap metal dealer. The KBI cannot provide a dollar figure to account for this possibility. If a scrap metal dealer chooses to hire a vendor to build an interface, the business will incur costs. But the KBI cannot provide a dollar figure, as vendors differ and scrap metal

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businesses differ in size and needs. There is no cost passed along to local governments or members of the public.

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

YES ☐ NO ☒

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

Not applicable.

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐ NO ☒

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

Not applicable.

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

The KBI has met, and continues to meet, with law enforcement representatives to seek input regarding what information would be helpful to investigating scrap metal theft. Additionally, the KBI has met, and continues to meet, with scrap metal dealers to obtain input regarding what submission requirements would be a hindrance to their business processes. The KBI also has gathered information about the types of scrap metal the dealers routinely encounter and the volume of transactions for the different scrap metal businesses. The KBI has sought input from law enforcement and scrap metal dealers through in-person meetings, by phone, and through a wide distribution of emails and letters.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

Not applicable.

