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Office

S.B. 242
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 242's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Johnson

Local Impact Statement Procedure Required: No

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Highlights

Department of Public Safety

- The Ohio Department of Public Safety (ODPS) may incur minimal additional costs to implement the bill's provisions, including to: (1) modify both the existing Scrap Metal and Bulk Merchandise Container Dealers website and the Communication and Information Management System (CIMS), and (2) perform additional investigations.
- The Infrastructure Protection Fund (Fund 5ML0) used by the Department of Public Safety may gain an indeterminate amount of annual revenue from civil penalties imposed for violations of the law pertaining to scrap metal and bulk merchandise container dealers.

Attorney General

- The bill appropriates \$1.5 million in FY 2026 and \$1.0 million in FY 2027 to new GRF line item 055451, Catalytic Converter Theft Task Force, to support the operations of any catalytic converter theft task forces established by the Attorney General's Organized Crime Investigations Commission (OCIC).

State and local criminal justice systems

- The bill may increase the number of cases for local criminal justice systems to adjudicate and may subject others to penalty enhancements (from a misdemeanor to a felony) causing those cases to shift from a county or municipal court to a court of common pleas, thus impacting fines, fees, and court costs retained by counties and municipalities, as well as the amount of court costs forwarded to the state. In the event of a conviction, the bill would also shift sanctioning costs from a local authority to the Department of Rehabilitation and Correction.

- There may be some increase in fine revenue generated and credited to the county treasury when an offender is a business entity. The magnitude of any increase depends on how many business entities are convicted of specified offenses.

Detailed Analysis

The bill makes several changes to the Secondhand Dealer Law regarding the sale of used catalytic converters including an increase in certain penalties related to their theft and noncompliant regulatory behavior by industry participants.

Department of Public Safety

Investigations

The bill requires the Ohio Department of Public Safety (ODPS) to conduct an investigation upon receiving a bona fide complaint, or upon reasonable suspicion, that a scrap metal or bulk merchandise container dealer, or an employee, officer, or agent thereof, has, is, or will violate the Scrap Metal Dealer Law, or that a person who is not registered as a scrap metal or bulk merchandise container dealer appears to be acting as such. The bill also provides certain investigative powers to ODPS or local law enforcement.

If it is found that a violation was committed, ODPS may suspend the person's license or registration until the person has presented evidence that they have remedied the violation. The bill requires ODPS or local law enforcement to conduct a follow-up investigation after a license is suspended or revoked. If a person is found to have engaged in activities that require a license or registration during a suspension or following a revocation, ODPS or local law enforcement may seek an injunction from a court of common pleas and impose a civil penalty of \$10,000, and \$1,000 for each subsequent day the violation occurred. Under the bill, the collected fines would be credited to the state Infrastructure Protection Fund (Fund 5ML0).

ODPS must certify unpaid fines to the Attorney General for collection. If the Attorney General collects the debt on behalf of ODPS, a portion would be retained by the Attorney General and deposited to the credit of their Claims Fund (Fund 4190) and the remainder remitted to Fund 5ML0.

Scrap Metal Dealer Law enforcement

The bill places additional recordkeeping and transaction data submission requirements on scrap metal dealers with respect to catalytic converters and requires ODPS to perform a number of other duties related to enforcement of the Scrap Metal Dealer Law, including recording certain information on noninvestigative visits to be reported to the public via the Department of Commerce's website on a quarterly basis. The bill also creates a \$500 civil penalty for specified violations of the Scrap Metal Dealer Law, which is required to be credited to the Infrastructure Protection Fund (Fund 5ML0). For certain violations the bill specifies that an additional \$500 must be imposed per day that the violation continues.

As a result, Ohio Homeland Security, which administers the scrap metal dealer oversight program within ODPS, may incur minimal additional costs related to investigating and sanctioning violators. Those costs would likely be absorbed by existing staff. In order to comply with the bill's recordkeeping requirements, ODPS may incur minimal one-time costs to modify its existing Scrap Metal and Bulk Merchandise Container Dealers website, which is used by registered scrap metal

dealers to register their business and upload transactions to ODPS, and the Communication and Information Management System (CIMS), which ODPS uses to access that information, to accommodate transaction data related to the purchase and sale of catalytic converters. ODPS may also experience an indeterminate gain in revenue if civil penalties are collected, which may help to offset any additional costs incurred.

The costs incurred by the Department of Commerce to make information available on their website regarding noninvestigative visits made by ODPS to a scrap metal dealer, bulk merchandise container dealer is uncertain, but likely minimal.

Revenue credited to the Infrastructure Protection Fund (Fund 5MLO)

The amount of revenue generated as a result of the bill's civil penalties and credited to the existing Infrastructure Protection Fund (Fund 5MLO) will depend on the fines imposed on scrap metal dealers and bulk merchandise container dealers for violations of the bill's requirements or prohibitions. Under continuing law, Fund 5MLO is used by Ohio Homeland Security, housed within the Department of Public Safety, for the scrap metal dealer oversight program. Any increase in revenue would likely be utilized in the same manner and would potentially offset the additional administrative costs created under the bill. The bill generally requires penalties received from violations be used to conduct investigations related to the sale of catalytic converters.

Attorney General

The bill appropriates \$1.5 million in FY 2026 and \$1.0 million in FY 2027 to newly created GRF line item 055451, Catalytic Converter Theft Task Force, to support the operations of any catalytic converter theft task forces established by the Attorney General's Organized Crime Investigations Commission (OCIC). For FY 2026, \$500,000 is estimated for start-up costs, and the remaining funds will maintain the task force work.

Under continuing law, OCIC is authorized to establish organized crime task forces to investigate organized criminal activity in a county or in two or more adjacent counties. Members of the investigatory staff of a task force include local law enforcement officers. The funding provided by the bill will be used to reimburse political subdivisions for the expenses they incur when their law enforcement officers participate in an organized crime task force, and to provide additional resources to law enforcement for this specific crime.¹

State and local criminal justice systems

Law enforcement reporting requirements

Existing law requires a law enforcement agency serving a jurisdiction in which a scrap metal or bulk merchandise container dealer is located to provide a searchable electronic list of

¹ Unchanged by the bill, law enforcement agencies can request an OCIC task force investigation by submitting a written proposal outlining the scope and specifics of the investigation, which would result in a savings effect for those agencies. OCIC provides funding to cover costs such as payment of confidential informants, purchase of contraband for evidence, electronic surveillance equipment, technical support, vehicles, office space, or other equipment not available from local sources.

the names and descriptions of persons known to be thieves or receivers of stolen property to ODPS for inclusion in the existing scrap metal dealer and bulk merchandise container dealer registry. The bill expands this requirement to also include the submission of all records of any investigation into a scrap metal dealer or bulk merchandise container dealer. Any additional costs or workload incurred for a law enforcement agency to comply will depend on the number of investigations that an agency conducted into scrap metal or bulk merchandise container dealers.

Criminal penalties

The bill modifies the penalties for specified offenses involving catalytic converters by: (1) elevating the offenses of theft and receiving stolen property (RSP) from a first degree misdemeanor generally to a fifth degree felony generally if the property involved is a catalytic converter or a fourth degree felony if the offender has specified prior convictions, and (2) specifying that a person can be charged with complicity under certain circumstances if they sell a catalytic converter to another person who violates any of the bill's provisions. A fifth degree felony is punishable by a definite prison term of 6, 7, 8, 9, 10, 11, or 12 months, a fine of \$2,500, or both. A felony of the fourth degree, which is punishable by a definite prison term of 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18 months, a fine of up to \$5,000, or both.

As a result of these modifications, the bill may increase the number of cases for local criminal justice systems to adjudicate and may, in certain theft and RSP cases, shift adjudication costs from a county or municipal court to a court of common pleas. In the event of a theft or RSP conviction, the bill may also shift sanctioning costs for certain offenders whose sentence involves a period of incarceration from a local jail to the Ohio Department of Rehabilitation and Correction (ODRC).² Any potential savings experienced by local authorities to adjudicate and house certain theft and RSP offenders is likely to be minimal at most. Similarly, any additional costs incurred by ODRC are likely to be marginal.³ The magnitude of any increased costs incurred by criminal justice systems as a result of any new cases generated by the bill will depend on the number of individuals who are ultimately charged, convicted, and subsequently sentenced to a period of incarceration.

Business entities as violators

Under the bill, a business entity convicted of enterprise theft of a catalytic converter (theft) or enterprise receipt of a stolen catalytic converter (RSP), or who is found to have violated any of the bill's reporting provisions is required to pay an organizational fine of not less than \$10,000 but not more than \$50,000 per violation. The current default organizational penalty is up to \$7,500 for a fifth degree felony, and up to \$10,000 for a fourth degree felony.⁴ Thus, under the bill, more organizational fine revenue may be collected. The magnitude of any increase in fine revenue that may be generated annually will depend upon the number of business entities

² Please note that generally, fourth and fifth degree felonies are subject to mandatory community control rather than prison unless certain elements are present that would require a sentence of incarceration.

³ Marginal costs are those that increase or decrease directly on a per-person basis with changes in prison population (i.e., clothing, food, medical services, etc.). For FY 2025 ODRC's reported marginal daily cost per offender was \$13.47, or \$4,917 per year.

⁴ R.C. 2929.31.

convicted of enterprise theft of a catalytic converter or enterprise receipt of a stolen catalytic converter.

Fines, fees, and court costs

To the extent that additional cases are generated or certain cases are shifted from a municipal or county court to a court of common pleas, the bill may also impact the amount of fine, fee, and court cost revenue, including the amount of court costs forwarded to the state. The table below shows the fines, fees, and court costs for S.B. 242 offenses and their distribution.

Fines, Fees, and Court Costs for S.B. 242 Offenses		
Financial Penalty Component	Amount Paid by Violator	Recipient of Amount
Fine	Varies by offense	<ul style="list-style-type: none"> ▪ Retained by the county, township, municipal corporation, park district, or state law enforcement agencies that primarily were responsible for or involved in making the arrest of, and in prosecuting, the offender
Local court costs and fees	Varies by local jurisdiction	<ul style="list-style-type: none"> ▪ Generally retained by the county or municipality
State court costs (for felonies)	\$60	Deposited in the state treasury as follows: <ul style="list-style-type: none"> ▪ \$30 to the Indigent Defense Support Fund (Fund 5DY0) ▪ \$30 to the Victims of Crime/Reparations Fund (Fund 4020)