

HCS SCS SB 157 & SB 102 -- SCRAP METAL

SPONSOR: Sater

COMMITTEE ACTION: Voted "Do Pass" by the Committee on General Laws by a vote of 14 to 0.

This substitute changes the documentation requirements for transactions made where junk or scrap metal is sold or traded. The purchaser must keep a separate record for transactions involving a manhole cover; catalytic converter; or any wire owned by a telecommunications, cable, or internet service provider or an electric, water, sewer, or other public utility. In addition to current requirements, the records for the transactions must contain the gender, birth date and a photograph of the seller if different than the photo identification currently required. The record must also include the license plate number of the vehicle used by the seller during the transaction, as well as a full description of the metal by weight and purchase price. Currently, these provisions do not apply to any transaction that does not exceed \$50 for all scrap metal sold. The substitute excludes the sale of a catalytic converter from this exemption.

The substitute changes from a Class A misdemeanor to a Class B misdemeanor the penalty for violating the documentation requirements.

Currently, a scrap yard is prohibited from purchasing metal that can be identified as belonging to a cemetery, political subdivision, electrical cooperative, municipal utility, or a utility regulated under Chapter 386 or 393, RSMo, unless the scrap metal seller has written permission. The substitute adds metal that can be identified as belonging to a telecommunications provider, cable provider, and water utility. A person convicted of purchasing prohibited scrap metal will be guilty of a Class B misdemeanor.

A scrap metal dealer paying an amount that is \$500 or more must make the payment by issuing a prenumbered check drawn from a regular bank account in the name of the dealer made payable to the seller or by using a system for automated cash or electronic payment that photographs or videotapes the payment recipient and identifies the payment with a distinct transaction in the register maintained under current law. A dealer that pays in cash is required to get a copy of the seller's driver's license if the metal is copper or a catalytic converter.

A person who knowingly and willfully violates these provisions is guilty of a class B misdemeanor and a fine up to \$500 for the first

offense, a class A misdemeanor and a fine up to \$1,000 for the second offense, and the revocation of all state business licenses for a third offense. A person selling stolen metal is responsible for consequential damages relating to obtaining the scrap metal.

The substitute specifies that a for-profit entity or person collecting unwanted household items via a public recycling bin and reselling the items for profit, must display a statement prominently on the bin stating that the bin is owned and operated by a for-profit company and the deposited items are not tax deductible. Also, a non-profit entity collecting unwanted household items via a public recycling bin must display a statement prominently on the bin stating that the bin is owned by a non-profit organization and the deposited items are tax deductible and will benefit a specific charitable cause. Additionally, any recycling bin must display specific information about the owner and operator and he or she must maintain written permission from the property owner where the bin is located.

PROPOSERS: Supporters say that stolen scrap metal has been a problem for many years and both of these bills will help. Additionally, it's a safety issue to the thieves, but also to the employees attempting to perform repairs. Both could easily be injured. Law enforcement must be able to access information on the types of metals being sold and by whom to deal with the issue effectively. The bill will provide the needed information to combat the increasing number of thefts that are occurring.

Testifying for SB 157 were Senator Sater; Missouri Association of Realtors; Missouri Cable Telecommunications Association; Advantage Metals Recycling, LLC; Scott Wagner, City of Kansas City; CenturyLink; Missouri Telecommunications Industry Association; Association of Missouri Electric Cooperatives; AT&T Missouri; and Recycle Missouri, Inc.

Testifying for SB 102 were Senator Kraus; Missouri Cable Telecommunications Association; Missouri Association of Realtors; Scott Wagner, City of Kansas City; and Recycle Missouri, Inc.

OPPOSERS: There was no opposition voiced to the committee.