
HOUSE BILL 1756

State of Washington

63rd Legislature

2013 Regular Session

By Representatives Hurst, Dahlquist, Haigh, Hope, Morris, and Morrell

Read first time 02/07/13. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to scrap metal licensing; amending RCW 19.290.030,
2 19.290.060, and 19.290.080; adding new sections to chapter 19.290 RCW;
3 adding a new section to chapter 43.24 RCW; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.290.030 and 2008 c 233 s 3 are each amended to read
6 as follows:

7 (1) No scrap metal business may enter into a transaction to
8 purchase or receive private metal property or nonferrous metal property
9 from any person who cannot produce at least one piece of current
10 government-issued picture identification, including a valid driver's
11 license or identification card issued by any state.

12 (2) No scrap metal business may purchase or receive private metal
13 property or commercial metal property unless the seller: (a) Has a
14 commercial account with the scrap metal business; (b) can prove
15 ownership of the property by producing written documentation that the
16 seller is the owner of the property; or (c) can produce written
17 documentation that the seller is an employee or agent authorized to
18 sell the property on behalf of a commercial enterprise.

1 (3) No scrap metal business may enter into a transaction to
2 purchase or receive metallic wire that was burned in whole or in part
3 to remove insulation unless the seller can produce written proof to the
4 scrap metal business that the wire was lawfully burned.

5 ~~(4) ((No transaction involving private metal property or nonferrous
6 metal property valued at greater than thirty dollars may be made in
7 cash or with any person who does not provide a street address under the
8 requirements of RCW 19.290.020.))~~ For transactions ~~((valued at greater
9 than thirty dollars))~~ involving private metal property or nonferrous
10 metal property, the person with whom the transaction is being made may
11 only be paid by a nontransferable check, mailed by the scrap metal
12 business to a street address provided under RCW 19.290.020, no earlier
13 than ~~((ten))~~ five days after the transaction was made. A transaction
14 occurs on the date provided in the record required under RCW
15 19.290.020. All scrap metal processors, scrap metal recycling centers,
16 and scrap metals suppliers are required to complete a five day tag and
17 hold involving private metal property or nonferrous metal property
18 unless they digitally capture a copy of one piece of current
19 government-issued picture identification, including a valid driver's
20 license or identification card issued by any state and capture a
21 picture of the material being sold.

22 (5) No scrap metal business may purchase or receive beer kegs from
23 anyone except a manufacturer of beer kegs or licensed brewery.

24 **Sec. 2.** RCW 19.290.060 and 2008 c 233 s 6 are each amended to read
25 as follows:

26 (1) Following notification(~~((either verbally or))~~) in writing(~~((7))~~)
27 from a commissioned law enforcement officer of the state or any of its
28 political subdivisions that an item of private metal property,
29 nonferrous metal property, or commercial metal property has been
30 reported as stolen, a scrap metal business shall hold that property
31 intact and safe from alteration, damage, or commingling, and shall
32 place an identifying tag or other suitable identification upon the
33 property. The scrap metal business shall hold the property for a
34 period of time as directed by the applicable law enforcement agency up
35 to a maximum of ~~((ten business))~~ ninety days.

36 (2) A commissioned law enforcement officer of the state or any of
37 its political subdivisions shall not place on hold any item of private

1 metal property, nonferrous metal property, or commercial metal property
2 unless that law enforcement agency reasonably suspects that the
3 property is a lost or stolen item. Any hold that is placed on the
4 property must be removed within (~~ten business~~) ninety days after the
5 property on hold is determined not to be stolen or lost and the
6 property must be returned to the owner or released.

7 NEW SECTION. Sec. 3. A new section is added to chapter 19.290 RCW
8 to read as follows:

9 (1) It is unlawful for a person to engage in the business of a
10 scrap metal processor or scrap metal recycler without having first
11 applied for and received a scrap metal license.

12 (2)(a) Except as provided in (b) of this subsection, a person or
13 firm engaged in the unlawful activity described in this section is
14 guilty of a gross misdemeanor.

15 (b) A second or subsequent offense is a class C felony.

16 NEW SECTION. Sec. 4. A new section is added to chapter 19.290 RCW
17 to read as follows:

18 Application for a scrap metal license or renewal of a scrap metal
19 license shall be made on a form for this purpose, furnished by the
20 department of licensing, and shall be signed by the license holder or
21 his or her authorized agent and shall include the following
22 information:

23 (1) Name and address of the person, firm, partnership, association,
24 limited liability company, or corporation under which name the business
25 is to be conducted;

26 (2) Names and residence address of all persons having an interest
27 in the business or, if the owner is a corporation, the names and
28 addresses of the officers thereof;

29 (3) Certificate of approval of the chief of police of any city or
30 town having a population of over five thousand persons and in all other
31 instances a member of the Washington state patrol certifying that:

32 (a) The applicant has an established place of business at the
33 address shown on the application; and

34 (b) In the case of a renewal of a scrap metal license, the
35 applicant is in compliance with this chapter: PROVIDED, That the above

1 certification in any instance can be made by an authorized
2 representative of the department of licensing;

3 (4) Documentation demonstrating that the business is in compliance
4 with the terms of all applicable building code, zoning, and other land
5 use regulatory ordinances.

6 (5) Any other information that the department of licensing may
7 require.

8 NEW SECTION. **Sec. 5.** A new section is added to chapter 19.290 RCW
9 to read as follows:

10 The application, together with a fee of one thousand dollars per
11 physical location, shall be forwarded to the department of licensing.
12 Upon receipt of the application the department shall, if the
13 application is in order, issue a scrap metal license authorizing the
14 processor, recycler, or supplier to do business as such and forward the
15 fee to the state treasurer, to be deposited in the scrap metal license
16 account described in section 16 of this act. Upon receiving the
17 certificate, the owner shall cause it to be prominently displayed in
18 the place of business, where it may be inspected by an investigating
19 officer at any time.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 19.290 RCW
21 to read as follows:

22 Before issuing a scrap metal license, the department of licensing
23 shall require the applicant to file with the department a surety bond
24 in the amount of ten thousand dollars, running to the state of
25 Washington and executed by a surety company authorized to do business
26 in the state of Washington. The bond shall be approved as to form by
27 the attorney general and conditioned upon the licensee conducting the
28 business in conformity with the provisions of this chapter. Any person
29 who has suffered any loss or damage by reason of fraud, carelessness,
30 neglect, violation of the terms of this chapter, or misrepresentation
31 on the part of the scrap metal processor or recycler, may institute an
32 action for recovery against the licensee and surety upon the bond.
33 However, the aggregate liability of the surety to all persons shall in
34 no event exceed the amount of the bond.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 19.290 RCW
2 to read as follows:

3 A license issued on the scrap metal license application remains in
4 force until suspended or revoked and may be renewed annually upon
5 reapplication and upon payment of a fee of five hundred dollars per
6 physical location. A licensee who fails or neglects to renew the
7 license before the assigned expiration date shall pay the fee for an
8 original scrap metal license as provided in this chapter.

9 Whenever a scrap metal processor, recycler, or supplier ceases to
10 do business as such or the license has been suspended or revoked, the
11 licensee shall immediately surrender the license to the department of
12 licensing.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 19.290 RCW
14 to read as follows:

15 The licensee shall obtain a special set of license plates in
16 addition to the regular licenses and plates required for the operation
17 of such vehicles. The special plates must be displayed on vehicles
18 owned and/or operated by the licensee and used in the conduct of the
19 business. The fee for these plates shall be five dollars for the
20 original plates and two dollars for each additional set of plates
21 bearing the same license number. A licensee with more than one
22 licensed location in the state may use special plates bearing the same
23 license number for vehicles operated out of any of the licensed
24 locations.

25 NEW SECTION. **Sec. 9.** A new section is added to chapter 19.290 RCW
26 to read as follows:

27 If a person whose scrap metal license has previously been canceled
28 for cause by the department of licensing files an application for a
29 license to conduct business as a scrap metal processor, recycler, or
30 supplier, or if the department is of the opinion that the application
31 is not filed in good faith or that the application is filed by some
32 person as a subterfuge for the real person in interest whose license
33 has previously been canceled for cause, the department may refuse to
34 issue the person a license to conduct business as a scrap metal
35 processor, recycler, or supplier.

1 NEW SECTION. **Sec. 10.** A new section is added to chapter 19.290
2 RCW to read as follows:

3 The director of licensing is hereby authorized to adopt reasonable
4 rules and regulations not in conflict with provisions hereof for the
5 proper operation and enforcement of this chapter.

6 NEW SECTION. **Sec. 11.** A new section is added to chapter 19.290
7 RCW to read as follows:

8 The state of Washington hereby fully occupies and preempts the
9 entire field of regulation of scrap metal processors, recyclers, or
10 suppliers within the boundaries of the state. Any political
11 subdivision in this state may enact or enforce only those laws and
12 ordinances relating to the regulation of scrap metal processors,
13 recyclers, or suppliers that are specifically authorized by state law
14 and are consistent with this chapter. The local ordinances shall have
15 the same or lesser penalty as provided for by state law. Local laws
16 and ordinances that are inconsistent with, more restrictive than, or
17 exceed the requirements of state law shall not be enacted and are
18 hereby preempted and repealed, regardless of the code, charter, or home
19 rule status of such political subdivision.

20 NEW SECTION. **Sec. 12.** A new section is added to chapter 19.290
21 RCW to read as follows:

22 (1) If it appears to the director of licensing that an unlicensed
23 person has engaged in an act or practice constituting a violation of
24 this chapter, or a rule adopted or an order issued under this chapter,
25 the director may issue an order directing the person to cease and
26 desist from continuing the act or practice. The director shall give
27 the person reasonable notice of and opportunity for a hearing. The
28 director may issue a temporary order pending a hearing. The temporary
29 order remains in effect until ten days after the hearing is held and
30 becomes final if the person to whom the notice is addressed does not
31 request a hearing within fifteen days after receipt of the notice.

32 (2) The director of licensing may assess a fine of up to one
33 thousand dollars with the final order for each act or practice
34 constituting a violation of this chapter by an unlicensed person.

1 NEW SECTION. **Sec. 13.** A new section is added to chapter 19.290
2 RCW to read as follows:

3 (1) The department of licensing or its authorized agent may examine
4 or subpoena any persons, books, papers, records, data, vehicles, or
5 metal property bearing upon the investigation or proceeding under this
6 chapter.

7 (2) The persons subpoenaed may be required to testify and produce
8 any books, papers, records, data, vehicles, or metal property that the
9 director of licensing deems relevant or material to the inquiry.

10 (3) The director of licensing or an authorized agent may administer
11 an oath to the person required to testify, and a person giving false
12 testimony after the administration of the oath is guilty of perjury in
13 the first degree under RCW 9A.72.020.

14 (4) A court of competent jurisdiction may, upon application by the
15 director, issue to a person who fails to comply, an order to appear
16 before the director of licensing or officer designated by the director,
17 to produce documentary or other evidence touching the matter under
18 investigation or in question.

19 NEW SECTION. **Sec. 14.** A new section is added to chapter 19.290
20 RCW to read as follows:

21 The provisions of this chapter shall be liberally construed to the
22 end that traffic in stolen private metal property or nonferrous metal
23 property may be prevented, and irresponsible, unreliable, or dishonest
24 persons may be prevented from engaging in the business of processing,
25 recycling, or supplying scrap metal in this state and reliable persons
26 may be encouraged to engage in businesses of processing, recycling, or
27 supplying scrap metal in this state.

28 **Sec. 15.** RCW 19.290.080 and 2007 c 377 s 8 are each amended to
29 read as follows:

30 (1) Each violation of the requirements of this chapter that are not
31 subject to the criminal penalties under RCW 19.290.070 shall be
32 punishable, upon conviction, by a fine of not more than one thousand
33 dollars.

34 (2) Within two years of being convicted of a violation of any of
35 the requirements of this chapter that are not subject to the criminal

1 penalties under RCW 19.290.070, each subsequent violation shall be
2 punishable, upon conviction, by a fine of not more than (~~two~~) five
3 thousand dollars.

4 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.24 RCW
5 to read as follows:

6 (1) There is created in the state treasury an account to be known
7 as the scrap metal license account. All fees received by the
8 department of licensing for scrap metal licenses, registration, or
9 renewals and the civil penalties assessed and collected by the
10 department of licensing under RCW 19.290.080 shall be forwarded to the
11 state treasurer who shall credit the moneys to the scrap metal license
12 account.

13 (2) All expenses incurred in carrying out the scrap metal licensing
14 activities of the department of licensing shall be paid from the
15 account as authorized by legislative appropriation. Any residue in the
16 account shall be accumulated and shall not revert to the general fund
17 at the end of the biennium.

18 (3) The director of the department of licensing shall biennially
19 prepare a budget request based on the anticipated costs of
20 administering the scrap metal licensing activities of the department
21 which shall include the estimated income from scrap metal fees.

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