

SENATE BILL REPORT

SHB 2858

As Reported By Senate Committee On:
Judiciary, February 29, 2008

Title: An act relating to expanding metal property provisions.

Brief Description: Expanding metal property provisions.

Sponsors: House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Morrell, Warnick, Campbell, Hurst, Newhouse, O'Brien, Green, Kelley and Conway).

Brief History: Passed House: 2/12/08, 97-0.

Committee Activity: Judiciary: 2/27/08, 2/29/08 [DPA].

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass as amended.

Signed by Senators Kline, Chair; Tom, Vice Chair; McCaslin, Ranking Minority Member; Carrell, Hargrove, McDermott, Roach and Weinstein.

Staff: Lidia Mori (786-7755)

Background: In 2007 the Legislature passed Substitute Senate Bill 5312 that established requirements for transactions between a scrap metal business and a member of the general public. Specific record keeping requirements for transactions involving non-ferrous metal property were established. "Non-ferrous metal property" means metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys.

Transactions involving non-ferrous metal property valued at greater than \$30 may not be made in cash or with anyone who does not provide a street address. Payment must be by non-transferable check no earlier than 10 days after the transaction.

It is a gross misdemeanor for any person to: (1) remove or alter a make, model, or serial number, personal identification number, or identifying marks engraved or etched upon metal property purchased or received in pledge; (2) accept for purchase any metal property where someone has removed or altered a make, model, or serial number, personal identification number, or identifying marks have been engraved or etched; (3) knowingly make or allow for a false entry to be made in any record required to be kept under this chapter; (4) receive metal property from someone under the age of 18 or under the influence of intoxicating liquor or drugs; (5) enter into a transaction to purchase or receive metal property with anyone whom the

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scrap business has been informed by a law enforcement agency to have been convicted of a crime involving drugs, burglary, robbery, theft, or possession of or receiving stolen property, manufacturing, delivering, or possessing with intent to deliver methamphetamine, or possession of ephedrine or any of its salts or isomers or salts of isomers, pseudoephedrine or any of its salts or isomers or salts of isomers, or anhydrous ammonia with intent to manufacture methamphetamine within the past ten years whether the person is acting in his or her own behalf or as the agent of another; (6) sign the declaration required knowing that the metal property is stolen; (7) possess metal property not lawfully purchased or received; or (8) engage in a series of transaction valued at less than \$30 with the same seller to avoid record keeping requirements.

Any other violation of the requirements is punishable by a fine of not more than \$1,000 for a first conviction and \$2,000 for subsequent convictions within two years of the first violation.

The following entities are exempt from all of the requirements that apply to scrap metal businesses: licensed motor vehicle dealers; licensed vehicle wreckers or hulk haulers; persons in the business of operating an automotive repair facility; and persons in the business of buying or selling empty food and beverage containers, including metal food and beverage containers.

Summary of Bill (Recommended Amendments): A new category of metal property is created called private metal property. It is defined as meaning catalytic converters, either singly or in bundles, bales, or bulk, that have been removed from vehicles for sale as a specific commodity.

Scrap metal businesses entering into a transaction to purchase or receive private metal property from a member of the general public or a commercial enterprise are subject to the same record keeping requirements and penalties as those required for transactions involving non-ferrous metal property and commercial metal property. The records that must be kept, include but are not limited to: the name, date, and signature of the person with whom the transaction is made; the time, date, location, and value of the transaction; the name of the employee representing the scrap metal business in the transaction; the vehicle and license plate number of the vehicle used to deliver the private metal property; and a description of the property being purchased or received.

No scrap metal business may purchase or receive private metal property from a commercial enterprise unless that enterprise has a commercial account with the scrap metal business.

Transactions involving private metal property valued at greater than \$30 may not be made in cash or with anyone who does not provide a street address. Payment must be by non-transferable check no earlier than ten days after the transaction.

The provisions governing stolen metal property in Chapter 19.290 RCW do not apply to metal and other materials from vehicles acquired by vehicle wreckers or hulk haulers licensed under the laws pertaining to hulk haulers, scrap processors, and vehicle wreckers and acquired in accordance with those laws.

EFFECT OF CHANGES MADE BY JUDICIARY COMMITTEE (Recommended Amendments): The provisions governing stolen metal property in Chapter 19.290 RCW do not apply to metal and other materials from vehicles acquired by vehicle wreckers or hulk

haulers licensed under the laws pertaining to hulk haulers, scrap processors, and vehicle wreckers and acquired in accordance with those laws.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Substitute Bill: PRO: People are turning cars over and cutting catalytic converters out of them. Big scrap metal businesses don't even want the catalytic converters, but the small ones are taking them. Catalytic converters have a ferrous cover, and the underlying statute deals with non-ferrous metal. That's why a separate category had to be created. There is a significant increase in the number of catalytic converters being stolen from cars in parking lots, private driveways, etc. There is about \$40 to \$250 worth of precious metals in them. With this bill, we hope to stem the tide.

Persons Testifying: PRO: Representative Morrell, prime sponsor; Gary Smith, Independent Business Assn.; Robert Thompson, Puyallup Police Department.