

CHAPTER 1099
SCRAP METAL TRANSACTIONS
H.F. 2399

AN ACT relating to scrap metal transactions, prohibiting certain sales, and providing penalties.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 714.27, Code Supplement 2011, is amended by striking the section and inserting in lieu thereof the following:

714.27 Scrap metal transactions and reporting — penalties.

1. For purposes of this section, and unless the context otherwise requires, the following definitions shall apply:

a. “*Scrap metal*” means any metal suitable for reprocessing. “*Scrap metal*” does not include a motor vehicle, but does include a catalytic converter detached from a motor vehicle.

b. “*Scrap metal dealer*” means any person operating a business at a fixed or mobile location that is engaged in one of the following activities:

(1) Buying, selling, procuring, collecting, gathering, soliciting, or dealing in scrap metal.

(2) Operating, managing, or maintaining a scrap metal yard.

c. “*Scrap metal yard*” means any yard, plot, space, enclosure, building, mobile facility, or other place where scrap metal is collected, gathered together, stored, or kept for shipment, sale, or transfer.

2. a. A person shall not sell scrap metal to a scrap metal dealer in this state unless the person provides to the scrap metal dealer, at or before the time of sale, the person’s name, address, and place of business, if any, and presents to the scrap metal dealer a valid driver’s license or nonoperator’s identification card, military identification card, passport, or other government-issued photo identification.

b. A scrap metal dealer shall not make an initial purchase of scrap metal from a person without demanding and receiving the information required by this subsection. However, after an initial transaction, a scrap metal dealer may only require the person’s name and place of business for subsequent purchases, provided the scrap metal dealer retains all information received during the initial transaction.

3. A scrap metal dealer shall keep a confidential register or log of each transaction, including a record of the information required by subsection 2. All records and information kept pursuant to this subsection shall be retained for at least two years, and shall be provided to a law enforcement agency or other officer or employee designated by a county or city to enforce this section upon request during normal business hours when the law enforcement agency or designated officer or employee of a county or city has reasonable grounds to request such information as part of an investigation. A law enforcement agency or designated officer or employee of a county or city shall preserve the confidentiality of the information provided under this subsection and shall not disclose it to a third party, except as may be necessary in enforcement of this section or the prosecution of a criminal violation.

4. All scrap metal transactions, other than those transactions exempt pursuant to subsection 5, in which the total sale price exceeds fifty dollars shall require payment by check or electronic funds transfer.

5. The following scrap metal transactions are exempt from the requirements of this section:

a. Transactions in which the total sale price is fifty dollars or less, except transactions for the sale of catalytic converters.

b. Transactions for the sale of catalytic converters in which the total sale price is seventy-five dollars or less.

c. Transactions in which a scrap metal dealer is selling scrap metal.

d. Transactions in which the person selling the scrap metal is known to the scrap metal dealer purchasing the scrap metal to be the officer, employee, or agent of an established commercial or industrial business, operating from a fixed location, that may reasonably be expected to produce scrap metal during the operation of the business.

6. *a.* The provisions of this section shall take precedence over and supersede any local ordinance adopted by a political subdivision that regulates scrap metal transactions.

b. Notwithstanding paragraph “*a*” of this subsection, a city ordinance regarding scrap metal or other scrap material in effect prior to January 1, 2012, in a city with a population exceeding one hundred fifty thousand as shown by the 2010 federal decennial census may continue to be enforced by the city which adopted it.

7. A person who violates subsection 2, paragraph “*a*”, or a person who conducts a scrap metal transaction by or on behalf of a scrap metal dealer who violates this section shall be subject to a civil penalty as follows:

a. An initial violation shall subject the person to a civil penalty in the amount of one hundred dollars.

b. A second violation within two years shall subject the person to a civil penalty in the amount of five hundred dollars.

c. A third or subsequent violation within two years shall subject the person to a civil penalty in the amount of one thousand dollars.

Sec. 2. Section 805.8C, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 9. *Scrap metal transaction violations.* For violations of section 714.27, the scheduled fine is one hundred dollars for a first violation, five hundred dollars for a second violation within two years, and one thousand dollars for a third or subsequent violation within two years. The scheduled fine under this subsection is a civil penalty which shall be deposited into the general fund of the county or city if imposed by a designated officer or employee of a county or city, or deposited in the general fund of the state if imposed by a state agency, and the criminal penalty surcharge under section 911.1 shall not be added to the penalty.

Approved April 19, 2012