

**House File 2227 - Introduced**

HOUSE FILE 2227

BY McCONKEY, ANDERSON,  
GASKILL, KEARNS, STAED,  
and KAUFMANN

**A BILL FOR**

1 An Act relating to the requirements for scrap metal  
2 transactions and reporting, and making civil penalties  
3 applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.27, subsection 2, paragraph b, Code  
2 2016, is amended to read as follows:

3 b. A scrap metal dealer shall not make an initial purchase  
4 of scrap metal from a person without demanding and receiving  
5 the information required by [this subsection](#). However, after an  
6 initial transaction, a scrap metal dealer may only require the  
7 person's name and place of business for subsequent purchases  
8 of one hundred dollars or more, provided the scrap metal  
9 dealer retains all information received during the initial  
10 transaction.

11 Sec. 2. Section 714.27, subsection 3, Code 2016, is amended  
12 to read as follows:

13 3. a. The department of public safety shall establish a  
14 form for scrap metal dealers to record the information required  
15 under subsection 2 for each scrap metal transaction. The form  
16 shall require the scrap metal dealer to describe the form of  
17 government-issued photo identification presented by the seller  
18 to the scrap metal dealer at the time of the purchase. The  
19 department of public safety shall consult with the Iowa state  
20 sheriffs' and deputies' association and the Iowa police chiefs  
21 association in establishing the form.

22 b. A scrap metal dealer shall keep a confidential register  
23 or log of each transaction, including a ~~record~~ copy of the  
24 ~~information required by subsection 2~~ form described in  
25 paragraph "a". All records and information kept pursuant  
26 to [this subsection](#) shall be retained for at least two years,  
27 and shall be provided to a law enforcement agency or other  
28 officer or employee designated by a county or city to enforce  
29 this section upon request during normal business hours when  
30 the law enforcement agency or designated officer or employee  
31 of a county or city has reasonable grounds to request such  
32 information as part of an investigation. A law enforcement  
33 agency or designated officer or employee of a county or city  
34 shall preserve the confidentiality of the information provided  
35 under [this subsection](#) and shall not disclose it to a third

1 party, except as may be necessary in enforcement of this  
2 section or the prosecution of a criminal violation.

3 Sec. 3. Section 714.27, subsection 4, Code 2016, is amended  
4 to read as follows:

5 4. All scrap metal transactions, ~~other than those~~  
6 ~~transactions exempt pursuant to subsection 5~~ regardless of the  
7 total sale price of the transaction, in which the ~~total sale~~  
8 ~~price exceeds fifty dollars~~ transaction involves nonferrous  
9 scrap metal shall require payment by check or electronic  
10 funds transfer. For purposes of this subsection, "nonferrous  
11 scrap metal" means scrap metal that is not ferrous, including  
12 alloys, and that does not contain iron. "Nonferrous scrap  
13 metal" includes but is not limited to scrap metal consisting of  
14 aluminum, copper, lead, nickel, tin, or brass.

15 Sec. 4. Section 714.27, subsection 5, unnumbered paragraph  
16 1, Code 2016, is amended to read as follows:

17 The following scrap metal transactions are exempt from the  
18 requirements of ~~this section~~ subsections 2 and 3:

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with  
21 the explanation's substance by the members of the general assembly.

22 This bill makes changes to the requirements for scrap metal  
23 transactions and reporting.

24 Under current Code section 714.27, a person selling  
25 scrap metal must present valid government-issued photo  
26 identification. However, after an initial transaction, a  
27 scrap metal dealer may only require a seller to provide their  
28 name and place of business for subsequent purchases if the  
29 dealer retains all information received during the initial  
30 transaction. Scrap metal dealers must keep a log of each  
31 scrap metal transaction, which must include the seller's  
32 identification information. All scrap metal transactions in  
33 which the total sale price exceeds \$50, subject to listed  
34 exceptions, requires payment by check or electronic funds  
35 transfer.

1 The bill limits the exception allowing a scrap metal dealer  
2 to only require a seller's name and place of business for  
3 subsequent purchases to only those subsequent purchases of \$100  
4 or more and if the dealer retains all information received  
5 during the initial transaction.

6 The bill requires the department of public safety (DPS) to  
7 establish a form for scrap metal dealers to use for recording  
8 the information required for each scrap metal transaction,  
9 which must require scrap metal dealers to describe the form of  
10 identification presented by sellers. DPS must consult with the  
11 Iowa state sheriffs' and deputies' association and the Iowa  
12 police chiefs association in establishing the form.

13 The bill changes the requirement for scrap metal  
14 transactions that require payment by check or electronic funds  
15 transfer from transactions of \$50 or more to transactions  
16 involving nonferrous scrap metal as defined in the bill,  
17 regardless of the total sale price of the transaction.

18 A person selling scrap metal or a scrap metal dealer who  
19 violates the transaction and reporting requirements of the  
20 bill is subject to a civil penalty in the amount of \$100 for  
21 an initial violation, \$500 for a second violation within two  
22 years, and \$1,000 for a third or subsequent violation within  
23 two years.