

House File 2371 - Introduced

HOUSE FILE 2371
BY GOSA

A BILL FOR

- 1 An Act relating to scrap metal transactions including
- 2 establishing an application and permit system to sell scrap
- 3 metal, and making penalties applicable.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 714.27, Code 2026, is amended to read as
2 follows:

3 **714.27 Scrap metal transactions and reporting — penalties.**

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

6 a. "Scrap metal" means any metal suitable for reprocessing.
7 "Scrap metal" does not include a motor vehicle or a catalytic
8 converter detached from a motor vehicle.

9 b. "Scrap metal dealer" means any person operating a business
10 at a fixed or mobile location that is engaged in one of the
11 following activities:

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

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

15 c. "Scrap metal yard" means any yard, plot, space, enclosure,
16 building, mobile facility, or other place where scrap metal is
17 collected, gathered together, stored, or kept for shipment, sale,
18 or transfer.

19 2. a. A person who is a resident of Iowa shall not sell
20 scrap metal to a scrap metal dealer in this state unless
21 the person provides to the scrap metal dealer, at or before
22 the time of sale, the person's name, address, and place of
23 business, if any, and presents to the scrap metal dealer a valid
24 driver's license or nonoperator's identification card, military
25 identification card, passport, or other government-issued photo
26 identification the person has obtained a permit to sell scrap
27 metal from the sheriff of the county in which the person resides.
28 A person who is not a resident of Iowa shall not sell scrap
29 metal to a scrap metal dealer in this state unless the person
30 has obtained a permit to sell scrap metal from a sheriff located
31 anywhere in the state. The sheriff shall issue a permit to the
32 person if all of the following apply:

33 (1) The person has not been convicted of a violation of this
34 section more than two times.

35 (2) The person declares on an application provided by the

1 sheriff that the person is informed of and will comply with this
2 section.

3 (3) The person pays a permit fee of not more than five
4 dollars.

5 b. A scrap metal dealer shall not make an initial purchase
6 of scrap metal from a person without demanding and receiving
7 the information required by this subsection. However, after an
8 initial transaction, a scrap metal dealer may only require the
9 person's name and place of business for subsequent purchases,
10 provided the scrap metal dealer retains all information received
11 during the initial transaction The state patrol of the department
12 of public safety shall develop the application and permit in
13 consultation with county sheriffs and sheet metal dealers. All
14 sheriffs shall use the application and permit developed by the
15 state patrol.

16 c. A sheriff shall keep a record of all permits issued
17 containing, at a minimum, the date of issuance, the name and
18 address of the person or entity, a photocopy of the person's
19 identification or of the entity's employee's identification, and
20 a photograph of the person or of the entity's employee.

21 d. A permit is valid statewide and expires on the person's
22 birth date on the second calendar year after the calendar year in
23 which the permit is issued, or, if the permittee is an entity,
24 the permit expires on the date of issuance on the second calendar
25 year after the calendar year in which the permit was issued.

26 e. A sheriff may investigate a person's or entity's
27 background prior to issuing a permit for purposes of determining
28 if the person or entity qualifies to be issued a permit.
29 Notwithstanding paragraph "a", a permit may be denied, suspended,
30 or revoked at any time if a sheriff discovers that information
31 on an application is inaccurate, the person or entity fails to
32 comply with this section, or the person or entity is convicted of
33 a violation of this section or section 716.11.

34 3. a. A person shall not sell scrap metal to a scrap metal
35 dealer in this state unless the person provides to the scrap

1 metal dealer, at or before the time of sale, the person's name,
2 address, and place of business, if any, a valid permit to sell
3 scrap metal, and presents to the scrap metal dealer a valid
4 driver's license or nonoperator's identification card, military
5 identification card, passport, or other government-issued photo
6 identification.

7 b. A scrap metal dealer shall not make an initial purchase
8 of scrap metal from a person without receiving the information
9 required by this subsection. However, after an initial
10 transaction, a scrap metal dealer may only require the person's
11 name and place of business for subsequent purchases.

12 ~~3.~~ 4. A scrap metal dealer shall keep a confidential
13 register or log of each transaction, including a record of
14 the information required by subsection 2 3. All records and
15 information kept pursuant to this subsection shall be retained
16 for at least two years, and shall be provided to a law
17 enforcement agency or other officer or employee designated by a
18 county or city to enforce this section upon request during normal
19 business hours when the law enforcement agency or designated
20 officer or employee of a county or city has reasonable grounds
21 to request such information as part of an investigation. A law
22 enforcement agency or designated officer or employee of a county
23 or city shall preserve the confidentiality of the information
24 provided under this subsection and shall not disclose it to a
25 third party, except as may be necessary in enforcement of this
26 section or the prosecution of a criminal violation.

27 ~~4.~~ 5. All scrap metal transactions, other than those
28 transactions exempt pursuant to subsection 5 6, in which the
29 total sale price exceeds fifty dollars shall require payment by
30 check or electronic funds transfer.

31 ~~5.~~ 6. The following scrap metal transactions are exempt from
32 the requirements of this section:

33 a. Transactions in which the total sale price is fifty
34 dollars or less.

35 b. Transactions in which a scrap metal dealer is selling

1 scrap metal.

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

8 ~~6.~~ 7. a. The provisions of this section shall take
9 precedence over and supersede any local ordinance adopted by a
10 political subdivision that regulates scrap metal transactions.

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

16 ~~7.~~ 8. A person who violates subsection 2 3, paragraph "a",
17 or a person who conducts a scrap metal transaction by or on
18 behalf of a scrap metal dealer who violates this section shall
19 be subject to a civil penalty as follows:

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

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

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

27 **EXPLANATION**

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

30 This bill relates to scrap metal transactions including
31 establishing an application and permit system to sell scrap
32 metal.

33 The bill provides that a person who is a resident of Iowa
34 shall not sell scrap metal to a scrap metal dealer in this state
35 unless the person has obtained a permit to sell scrap metal from

1 the sheriff of the county in which the person resides. A person
2 who is not a resident of Iowa shall not sell scrap metal to a
3 scrap metal dealer in this state unless the person has obtained
4 a permit to sell scrap metal from a sheriff located anywhere in
5 the state. The sheriff shall issue a permit to the person if all
6 of the following apply: the person has not been convicted of a
7 violation of the bill more than two times; the person declares
8 on an application provided by the sheriff that the person is
9 informed of and will comply with the provisions of the bill; and
10 the person pays a permit fee of not more than \$5.

11 The bill directs the state patrol of the department of public
12 safety to develop the application and permit in consultation
13 with county sheriffs and sheet metal dealers, and requires all
14 sheriffs to use the application and permit developed by the state
15 patrol. A sheriff is required to keep a record of all permits
16 issued containing, at a minimum, the date of issuance, the name
17 and address of the person or entity, a photocopy of the person's
18 identification or of the entity's employee's identification, and
19 a photograph of the person or of the entity's employee.

20 The bill provides that a permit is valid statewide and expires
21 on the person's birth date on the second calendar year after the
22 calendar year in which the permit is issued, or, if the permittee
23 is an entity, the permit expires on the date of issuance on
24 the second calendar year after the calendar year in which the
25 permit was issued. A sheriff may investigate a person's or
26 entity's background prior to issuing a permit for purposes of
27 determining if the person or entity qualifies to be issued a
28 permit. A permit may be denied, suspended, or revoked at any
29 time if a sheriff discovers that information on an application
30 is inaccurate, the person or entity fails to comply with the
31 requirements of the bill, or the person or entity is convicted
32 of a violation of the bill or Code section 716.11.

33 The bill makes conforming changes related to renumbering.