

Senate Study Bill 3104 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
BOUSSELOT)

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 telecommunications copper, and making penalties
4 applicable.
5 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 telecommunications copper, a motor
8 vehicle, or a catalytic 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 d. "Telecommunications copper" means copper or copper
20 alloy wire, cable, tubing, or related materials that
21 bear evidence of being or are reasonably likely to be
22 components of telecommunications or broadband network equipment,
23 including materials with telecommunications company markings,
24 industry-standard insulation colors for telecommunications
25 wiring, attached telecommunications connectors or terminations,
26 or evidence of recent removal from telecommunications
27 infrastructure.

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

35 b. A scrap metal dealer shall not make an initial purchase

1 of scrap metal from a person without demanding and receiving
2 the information required by this subsection. However, after an
3 initial transaction, a scrap metal dealer may only require the
4 person's name and place of business for subsequent purchases,
5 provided the scrap metal dealer retains all information received
6 during the initial transaction.

7 3. a. A person who is a resident of Iowa shall not
8 sell telecommunications copper to a scrap metal dealer in
9 this state unless the person has obtained a permit to sell
10 telecommunications copper from the sheriff of the county in which
11 the person resides. A person who is not a resident of Iowa
12 shall not sell telecommunications copper to a scrap metal dealer
13 in this state unless the person has obtained a permit to sell
14 telecommunications copper from a sheriff located anywhere in the
15 state. The sheriff shall issue a permit to the person if all of
16 the following apply:

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

19 (2) The person declares on an application provided by the
20 sheriff that the person is informed of and will comply with this
21 section.

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

24 b. The state patrol of the department of public safety shall
25 develop an application and permit in consultation with county
26 sheriffs and scrap metal dealers. All sheriffs shall use the
27 application and permit developed by the state patrol.

28 c. A permit is valid statewide and expires on the person's
29 birth date on the second calendar year after the calendar year in
30 which the permit is issued, or, if the permittee is an entity,
31 the permit expires on the date of issuance on the second calendar
32 year after the calendar year in which the permit was issued.

33 d. A sheriff may investigate a person's or entity's
34 background prior to issuing a permit for purposes of determining
35 if the person or entity qualifies to be issued a permit.

1 Notwithstanding paragraph "a", a permit may be denied, suspended,
2 or revoked at any time if a sheriff discovers that information
3 on an application is inaccurate, the person or entity fails to
4 comply with this section, or the person or entity is convicted of
5 a violation of this section or section 716.11.

6 e. A sheriff shall keep a record of all permits issued
7 containing, at a minimum, the date of issuance, the name and
8 address of the person or entity, a photocopy of the person's
9 identification or of the entity's employee's identification, and
10 a photograph of the person or of the entity's employee.

11 ~~3.~~ 4. A scrap metal dealer shall keep a confidential
12 register or log of each transaction, including a record of
13 the information required by subsection 2. All records and
14 information kept pursuant to this subsection shall be retained
15 for at least two years, and shall be provided to a law
16 enforcement agency or other officer or employee designated by a
17 county or city to enforce this section upon request during normal
18 business hours when the law enforcement agency or designated
19 officer or employee of a county or city has reasonable grounds
20 to request such information as part of an investigation. A law
21 enforcement agency or designated officer or employee of a county
22 or city shall preserve the confidentiality of the information
23 provided under this subsection and shall not disclose it to a
24 third party, except as may be necessary in enforcement of this
25 section or the prosecution of a criminal violation.

26 ~~4.~~ 5. All scrap metal transactions, other than those
27 transactions exempt pursuant to subsection 5, in which the total
28 sale price exceeds fifty dollars shall require payment by check
29 or electronic funds transfer.

30 ~~5.~~ 6. The following scrap metal transactions are exempt from
31 the requirements of this section:

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

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

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

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

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

15 ~~7.~~ 8. A person who violates subsection ~~2~~ 3, paragraph "a",
16 or a person who conducts a scrap metal transaction by or on
17 behalf of a scrap metal dealer who violates this section shall
18 be subject to a civil penalty as follows:

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

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

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

26 EXPLANATION

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

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

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

1 the person resides. A person who is not a resident of Iowa
2 shall not sell telecommunications copper to a scrap metal dealer
3 in this state unless the person has obtained a permit to sell
4 telecommunications copper from a sheriff located anywhere in the
5 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 bill; and the person pays
10 a permit fee of not more than \$5.

11 The state patrol of the department of public safety is
12 directed to develop an application and permit in consultation
13 with county sheriffs and scrap metal dealers. All sheriffs shall
14 use the application and permit developed by the state patrol. A
15 permit is valid statewide and expires on the person's birth date
16 on the second calendar year after the calendar year in which the
17 permit is issued, or, if the permittee is an entity, the permit
18 expires on the date of issuance on the second calendar year after
19 the calendar year in which the permit was issued.

20 The bill provides that a sheriff may investigate a person's
21 or entity's background prior to issuing a permit for purposes
22 of determining if the person or entity qualifies to be issued a
23 permit. A permit may be denied, suspended, or revoked at any
24 time if a sheriff discovers that information on an application is
25 inaccurate, the person or entity fails to comply with the bill,
26 or the person or entity is convicted of a violation of the bill
27 or Code section 716.11.

28 The bill requires that a sheriff is required to keep a record
29 of all scrap metal permits issued containing, at a minimum, the
30 date of issuance, the name and address of the person or entity,
31 a photocopy of the person's identification or of the entity's
32 employee's identification, and a photograph of the person or of
33 the entity's employee.

34 The bill makes conforming changes related to renumbering.