

Senate File 2450 - Introduced

SENATE FILE 2450
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3104)

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:

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
8 motor vehicle, or a catalytic converter detached from a motor
9 vehicle.

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

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

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

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

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

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

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

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

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

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

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

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

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

35 *d.* A sheriff may investigate a person's or entity's

1 background prior to issuing a permit for purposes of
2 determining if the person or entity qualifies to be issued a
3 permit. Notwithstanding paragraph "a", a permit may be denied,
4 suspended, or revoked at any time if a sheriff discovers that
5 information on an application is inaccurate, the person or
6 entity fails to comply with this section, or the person or
7 entity is convicted of a violation of this section or section
8 716.11.

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

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

30 ~~4.~~ 5. All scrap metal transactions, other than those
31 transactions exempt pursuant to [subsection 5](#), in which the
32 total sale price exceeds fifty dollars shall require payment by
33 check or electronic funds transfer.

34 ~~5.~~ 6. The following scrap metal transactions are exempt
35 from the requirements of [this section](#):

1 *a.* Transactions in which the total sale price is fifty
2 dollars or less.

3 *b.* Transactions in which a scrap metal dealer is selling
4 scrap metal.

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

11 ~~6.~~ 7. *a.* The provisions of **this section** shall take
12 precedence over and supersede any local ordinance adopted by a
13 political subdivision that regulates scrap metal transactions.

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

20 ~~7.~~ 8. A person who violates subsection ~~2~~ 3, paragraph "*a*",
21 or a person who conducts a scrap metal transaction by or on
22 behalf of a scrap metal dealer who violates **this section** shall
23 be subject to a civil penalty as follows:

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

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

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

32

EXPLANATION

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

35 This bill relates to scrap metal transactions including

1 establishing an application and permit system to sell scrap
2 metal and telecommunications copper.

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

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

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

35 The bill requires that a sheriff is required to keep a record

1 of all scrap metal permits issued containing, at a minimum, the
2 date of issuance, the name and address of the person or entity,
3 a photocopy of the person's identification or of the entity's
4 employee's identification, and a photograph of the person or of
5 the entity's employee.

6 The bill makes conforming changes related to renumbering.