

House File 2399 - Reprinted

HOUSE FILE 2399

BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HSB 603)

(As Amended and Passed by the House March 12, 2012)

A BILL FOR

1 An Act relating to scrap metal transactions, prohibiting
2 certain sales, and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

4 **714.27 Scrap metal transactions and reporting — penalties.**

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

7 *a. "Scrap metal"* means any metal suitable for reprocessing.
8 *"Scrap metal"* does not include a motor vehicle, but does include
9 a catalytic converter detached from a motor 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 2. *a.* A person shall not sell scrap metal to a scrap metal
21 dealer in this state unless the person provides to the scrap
22 metal dealer, at or before the time of sale, the person's name,
23 address, and place of business, if any, and presents to the
24 scrap metal dealer a valid driver's license or nonoperator's
25 identification card, military identification card, passport, or
26 other government-issued photo identification.

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

34 3. A scrap metal dealer shall keep a confidential
35 register or log of each transaction, including a record

1 of the information required by subsection 2. All records
2 and information kept pursuant to this subsection shall be
3 retained for at least two years, and shall be provided to a
4 law enforcement agency upon request during normal business
5 hours when the law enforcement agency has reasonable grounds to
6 request such information as part of a criminal investigation.
7 A law enforcement agency shall preserve the confidentiality of
8 the information provided under this subsection and shall not
9 disclose it to a third party, except as may be necessary in the
10 prosecution of a criminal violation.

11 3A. All scrap metal transactions, other than those
12 transactions exempt pursuant to subsection 4, in which the
13 total sale price exceeds fifty dollars shall require payment by
14 check or electronic funds transfer.

15 4. The following scrap metal transactions are exempt from
16 the requirements of this section:

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

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

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

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

30 4A. The provisions of this section shall take precedence
31 over and supersede any local ordinance adopted by a political
32 subdivision that regulates scrap metal transactions.

33 5. A person who violates this section shall be subject to a
34 civil penalty as follows:

35 a. An initial violation shall subject the person to a civil

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1 penalty in the amount of one hundred dollars.

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

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