
SUBSTITUTE HOUSE BILL 1251

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Insurance, Financial Services & Consumer Protection (originally sponsored by Representatives Morrell, Haler, O'Brien, Skinner, Lantz, Hinkle, Upthegrove, Takko, Moeller, Wallace, Crouse, Campbell, Kristiansen, Wood, Pearson, Ross, Fromhold, McCoy, Williams, Kretz, Hurst, Green, Kenney, VanDeWege, Haigh, McCune, Grant, Darneille, Simpson, Dunn and Rolfes)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to protecting and recovering property owned by
2 utilities, telecommunications companies, railroads, state agencies,
3 political subdivisions of the state, construction firms, and other
4 parties; adding a new chapter to Title 19 RCW; creating a new section;
5 repealing RCW 9.91.110; and prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
8 section apply throughout this chapter unless the context clearly
9 requires otherwise.

10 (1) "Commercial account" means a relationship between a scrap metal
11 dealer or scrap metal processor and a commercial enterprise that is
12 ongoing and properly documented under section 3 of this act.

13 (2) "Commercial enterprise" means a corporation, partnership,
14 limited liability company, association, state agency, political
15 subdivision of the state, public corporation, or any other legal or
16 commercial entity.

17 (3) "Commercial metal property" means: Utility access covers;
18 street light poles and fixtures; road and bridge guardrails; highway or
19 street signs; water meter covers; traffic directional and control

1 signs; traffic light signals; any metal property marked with the name
2 of a commercial enterprise, including but not limited to a telephone,
3 cable, electric, water, natural gas, or other utility, or railroad;
4 unused or undamaged building construction materials consisting of
5 copper pipe, tubing, or insulated or noninsulated wiring, or aluminum
6 wire, siding, downspouts, or gutters; aluminum fence materials;
7 aluminum decking, bleachers, or risers; historical markers; statue
8 plaques; grave markers and funeral vases; agricultural implements,
9 including irrigation wheels, sprinkler heads and pipes; or electrical
10 conductors.

11 (4) "Metal property" means any item that contains metal for which
12 the value of the metal content of the item exceeds the commercial value
13 of the item itself, or which has reached the end of its useful life but
14 still has residual value due to its metal content. "Metal property"
15 does not include precious metals.

16 (5) "Nonferrous metal property" is metal property for which the
17 value of the metal property is derived from the property's content of
18 copper, brass, aluminum, bronze, lead, zinc, or nickel, and their
19 alloys.

20 (6) "Precious metals" means gold, silver, and platinum.

21 (7) "Record" means a paper, electronic, or other method of storing
22 information.

23 (8) "Scrap metal dealer" means a person engaged in the business of
24 purchasing or receiving metal property for the purpose of aggregation
25 and sale to a scrap metal processor or another scrap metal dealer,
26 whether or not that person maintains a fixed place of business within
27 the state.

28 (9) "Scrap metal processor" means a person that conducts business
29 from a permanent location and that is engaged in the business of
30 purchasing or receiving metal property for the purpose of altering the
31 metal in preparation for its use as feedstock in the manufacture of new
32 products.

33 (10) "Transaction" means a pledge, or the purchase of, or the trade
34 of any item of metal property by a scrap metal dealer or scrap metal
35 processor from a member of the general public. "Transaction" does not
36 include donations or the purchase or receipt of metal property by a
37 scrap metal dealer or scrap metal processor from a commercial

1 enterprise, from another scrap metal dealer or scrap metal processor,
2 or from a duly authorized employee or agent of the commercial
3 enterprise, scrap metal dealer, or scrap metal processor.

4 NEW SECTION. **Sec. 2.** RECORDS REQUIRED FOR PURCHASING NONFERROUS
5 METAL PROPERTY FROM THE GENERAL PUBLIC. (1) At the time of a
6 transaction involving nonferrous metal property, every scrap metal
7 dealer and scrap metal processor doing business in this state shall
8 produce wherever that business is conducted an accurate and legible
9 record of each transaction involving nonferrous metal property. This
10 record must be written in the English language, documented on a
11 standardized form, as may be recommended by the local chief of police
12 or a county chief law enforcement officer, or in electronic form, and
13 contain the following information:

14 (a) The signature of the person with whom the transaction is made;

15 (b) The time, date, location, and value of the transaction;

16 (c) The name of the employee representing the scrap metal dealer or
17 scrap metal processor in the transaction;

18 (d) The name, street address, and telephone number, of the person
19 with whom the transaction is made;

20 (e) The license plate number and state of issuance of the license
21 plate on the motor vehicle used to deliver the nonferrous metal
22 property subject to the transaction;

23 (f) A description of the motor vehicle used to deliver the
24 nonferrous metal property subject to the transaction;

25 (g) The current driver's license number or other government-issued
26 picture identification card number of the seller;

27 (h) A copy of the seller's government-issued picture identification
28 card;

29 (i) A description of the predominant types of nonferrous metal
30 property subject to the transaction, including manufacturer's make,
31 model, or serial number, personal identification number, or identifying
32 marks engraved or etched upon the nonferrous metal property, if any,
33 and the property's weight, quantity, or volume.

34 (2)(a) For every transaction that involves nonferrous metal
35 property, every scrap metal dealer and scrap metal processor doing
36 business in the state shall require the person with whom a transaction

1 is being made to sign a declaration. The declaration must state
2 substantially the following:

3 "I, the undersigned, affirm under penalty of law that the property
4 that is subject to this transaction is not to the best of my knowledge
5 stolen property."

6 (b) A statement included on the back of a nontransferable check
7 issued as payment for the transaction is sufficient to meet the
8 requirement of (a) of this subsection when the statement is similar to
9 the declaration required by (a) of this subsection and the
10 nontransferable check is endorsed by the seller.

11 (c) A statement included on a receipt is sufficient to meet the
12 requirement of (a) of this subsection when the statement is similar to
13 the declaration required by (a) of this subsection and the receipt is
14 signed by the seller.

15 NEW SECTION. **Sec. 3.** REQUIREMENTS FOR PURCHASING OR RECEIVING
16 METAL PROPERTY FROM THE GENERAL PUBLIC. (1) No scrap metal dealer or
17 scrap metal processor may enter into a transaction to purchase or
18 receive nonferrous metal property from any person who cannot produce at
19 least one piece of current government-issued picture identification,
20 including a valid driver's license or identification card issued by any
21 state. A record of the identification required under this subsection
22 must be maintained along with the record required under section 2 of
23 this act.

24 (2) No scrap metal dealer or scrap metal processor may purchase or
25 receive commercial metal property unless the seller: (a) Has a
26 commercial account with the scrap metal dealer or scrap metal
27 processor; (b) can prove ownership of the property by producing written
28 documentation that the seller is the owner of the property; or (c) can
29 produce written documentation that the seller is an employee or agent
30 authorized to sell the property on behalf of a commercial enterprise.

31 (3) No scrap metal dealer or scrap metal processor may enter into
32 a transaction to purchase or receive metallic wire that was burned in
33 whole or in part to remove insulation unless the seller can produce
34 written proof to the scrap metal dealer or scrap metal processor that
35 the wire was lawfully burned.

36 (4) No scrap metal dealer or scrap metal processor may purchase or
37 receive beer kegs from anyone except a manufacturer of beer kegs.

1 NEW SECTION. **Sec. 4.** PAYMENT REQUIREMENTS WHEN PURCHASING OR
2 RECEIVING METAL PROPERTY FROM THE GENERAL PUBLIC. No transaction
3 involving metal property may be made in cash or with any person who
4 does not provide a street address under the requirements of section 2
5 of this act. The person with whom the transaction is being made may
6 only be paid by a nontransferable check, mailed by the scrap metal
7 dealer or scrap metal processor to a street address provided under
8 section 2 of this act, no earlier than ten days after the transaction
9 was made. A transaction occurs on the date provided in the record
10 required under section 2 of this act.

11 NEW SECTION. **Sec. 5.** RECORD FOR COMMERCIAL ACCOUNTS. (1) Every
12 scrap metal dealer and scrap metal processor must create and maintain
13 a permanent record with a commercial enterprise, including another
14 scrap metal dealer or scrap metal processor, in order to establish a
15 commercial account. That record, at a minimum, must include the
16 following information:

- 17 (a) The full name of the commercial enterprise;
18 (b) The business address and telephone number of the commercial
19 enterprise; and
20 (c) The full name of the person employed by the commercial
21 enterprise who is authorized to designate an employee or agent to
22 deliver metal property and commercial metal property to the scrap metal
23 dealer or scrap metal processor.

24 (2) The record maintained by a scrap metal dealer and scrap metal
25 processor for a commercial account must document every purchase or
26 receipt of metal property and commercial metal property from the
27 commercial enterprise. The documentation must include, at a minimum,
28 the following information:

- 29 (a) The time, date, and value of the property being purchased or
30 received;
31 (b) A description of the predominant types of property being
32 purchased or received; and
33 (c) The signature of the person delivering the property to the
34 scrap metal dealer or scrap metal processor.

35 NEW SECTION. **Sec. 6.** REPORTING TO LAW ENFORCEMENT. (1) If in the
36 course of an investigation by state or local law enforcement, a scrap

1 metal dealer or scrap metal processor is requested by a commissioned
2 law enforcement officer to provide information relating to an
3 investigation, the scrap metal dealer or scrap metal processor shall
4 provide any pertinent records relating to the investigation subject.
5 Failure to produce the requested information in a reasonable time as
6 determined by the requesting law enforcement agency, but not less than
7 two business days from receipt of the request, shall subject the scrap
8 metal dealer or scrap metal processor to a fine of up to five hundred
9 dollars per day.

10 (2) If the records produced by the scrap metal dealer or scrap
11 metal processor are incomplete, illegible, or otherwise in violation of
12 the requirements in section 2 of this act, a commissioned law
13 enforcement officer may demand the disclosure of all records for the
14 preceding ninety days. A fine of one hundred dollars per transaction
15 shall apply to all transactions for which the records required under
16 section 2 of this act are materially missing, incomplete, or illegible.

17 NEW SECTION. **Sec. 7.** UNLAWFUL VIOLATIONS. It is a gross
18 misdemeanor under chapter 9A.20 RCW for:

19 (1) Any person to remove, alter, or obliterate any manufacturer's
20 make, model, or serial number, personal identification number, or
21 identifying marks engraved or etched upon an item of nonferrous metal
22 property or commercial metal property;

23 (2) Any scrap metal dealer or scrap metal processor to purchase or
24 receive any nonferrous metal property or commercial metal property
25 where the manufacturer's make, model, or serial number, personal
26 identification number, or identifying marks engraved or etched upon the
27 property have been removed, altered, or obliterated;

28 (3) Any person to knowingly make, cause, or allow to be made any
29 false entry or misstatement of any material matter in any book, record,
30 or writing required to be kept under this chapter;

31 (4) Any scrap metal dealer or scrap metal processor to enter into
32 a transaction to purchase or receive metal property from any person
33 under the age of eighteen years or any person who is discernibly under
34 the influence of intoxicating liquor or drugs;

35 (5) Any scrap metal dealer or scrap metal processor to enter into
36 a transaction to purchase or receive metal property with anyone whom
37 the scrap metal dealer or scrap metal processor has been informed by a

1 law enforcement agency to have been convicted of possession of or
2 receiving stolen property, manufacturing, delivering, or possessing
3 with intent to deliver methamphetamine, or possession of ephedrine or
4 any of its salts or isomers or salts of isomers, pseudoephedrine or any
5 of its salts or isomers or salts of isomers, or anhydrous ammonia with
6 intent to manufacture methamphetamine within the past ten years whether
7 the person is acting in his or her own behalf or as the agent of
8 another;

9 (6) Any person to sign the declaration required under section 2 of
10 this act knowing that the nonferrous metal property subject to the
11 transaction is stolen. The signature of a person on the declaration
12 required under section 2 of this act constitutes evidence of intent to
13 defraud a scrap metal dealer or scrap metal processor if that person is
14 found to have known that the nonferrous metal property subject to the
15 transaction was stolen; or

16 (7) Any scrap metal dealer or scrap metal processor to possess
17 commercial metal property that was not lawfully purchased or received
18 under the requirements of this chapter.

19 NEW SECTION. **Sec. 8.** EXEMPTIONS. The provisions of this chapter
20 do not apply to transactions conducted by the following:

- 21 (1) Motor vehicle dealers licensed under chapter 46.70 RCW;
22 (2) Vehicle wreckers or hulk haulers licensed under chapter 46.79
23 or 46.80 RCW;
24 (3) Persons in the business of operating an automotive repair
25 facility as defined under RCW 46.71.011; and
26 (4) Persons in the business of buying or selling empty food and
27 beverage containers, including metal food and beverage containers, or
28 nonmetal junk.

29 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute
30 a new chapter in Title 19 RCW.

31 NEW SECTION. **Sec. 10.** RCW 9.91.110 (Metal buyers--Records of
32 purchases--Penalty) and 1971 ex.s. c 302 s 18 are each repealed.

33 NEW SECTION. **Sec. 11.** Captions used in this act are not any part
34 of the law.

1 NEW SECTION. **Sec. 12.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

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