

SENATE BILL REPORT

SB 5410

As Reported by Senate Committee On:
Judiciary, February 18, 2011

Title: An act relating to time for payment by a scrap metal business.

Brief Description: Requiring scrap metal businesses to pay no later than thirty days after a transaction involving metal property valued at greater than thirty dollars.

Sponsors: Senators Fraser, Honeyford, Kohl-Welles and Shin.

Brief History:

Committee Activity: Judiciary: 2/15/11, 2/18/11 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON JUDICIARY

Majority Report: That Substitute Senate Bill No. 5410 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kline, Chair; Harper, Vice Chair; Pflug, Ranking Minority Member; Hargrove, Kohl-Welles, Regala and Roach.

Minority Report: Do not pass.

Signed by Senator Carrell.

Minority Report: That it be referred without recommendation.

Signed by Senator Baxter.

Staff: Aldo Melchiori (786-7439)

Background: In 2007 and 2008 the Legislature established requirements for transactions between a scrap metal business and a member of the general public. Specific recordkeeping requirements for transactions involving nonferrous metal property and private metal property were established. Nonferrous metal property means metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys. Private metal property means catalytic converters, bales, or bulk that have been removed from vehicles for sale as a specific commodity.

Transactions involving nonferrous metal property or private metal property valued at greater than \$30 may not be made in cash or with anyone who does not provide a street address.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Payment must be by nontransferable check mailed by the scrap metal business, no earlier than ten days after the date of the transaction.

A violation of the statutory requirements governing scrap metal businesses that are not subject to criminal penalties are subject, upon conviction, by a fine of not more than \$1,000.

Summary of Bill: Payment for transactions involving nonferrous metal property or private metal property valued at greater than \$30 may be made no later than 30 days after the date of the transaction. The requirement that a scrap metal business submit payment within 30 days is tolled if the metal property is under investigation by the police.

A scrap metal business that fails to submit payment within 30 days after the transaction is not subject to the civil penalties assessed for violations of the chapter.

EFFECT OF CHANGES MADE BY JUDICIARY COMMITTEE (Recommended Substitute): The requirement that a scrap metal business submit payment within 30 days is tolled if the metal property is under investigation by the police.

A scrap metal business that fails to submit payment within 30 days after the transaction is not subject to the civil penalties assessed for violations of the chapter.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This is intended to be a small fix. While the law requires that the scrap metal business not pay for metal property over \$30 for ten days to allow time to check that the property was not stolen, there is nothing in the law that requires that the scrap metal business pay by a certain date. A constituent of mine had difficulty with a business because the only purpose is to ensure that someone can be paid on a reasonable timely basis.

I gave my grandson some copper wire that I had sitting around hoping he could sell it and get some gas money. The business held onto his money for over four weeks. We eventually got the money, but our only other option would have been to take them to small claims court. This clarification will help to ensure that businesses pay within a reasonable time period after the statutory waiting period is over. I would like to request a change to the bill related to when the police come to investigate the metal, and ask a business to hold the property and the investigation takes longer than 30 days. If the business is cooperating with the police, the business shouldn't be in violation of this new requirement. I also have concerns about the police being able to just have a business hold onto property that is under investigation for an indefinite period of time.

Persons Testifying: PRO: Senator Fraser, prime sponsor; Ron Highfill, citizen; Jay Sternoff, Sternoff Metals.