
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1742 Session of
2007

INTRODUCED BY PASHINSKI, BRENNAN, CURRY, DENLINGER, GOODMAN,
HENNESSEY, HERSHEY, JAMES, KORTZ, KULA, MARSHALL, McCALL,
MURT, PALLONE, PETRONE, READSHAW, SHIMKUS, K. SMITH AND
THOMAS, JULY 13, 2007

REFERRED TO COMMITTEE ON COMMERCE, JULY 13, 2007

AN ACT

1 Requiring scrap processors and recycling facility operators to
2 collect certain information relating to the purchase of scrap
3 material; requiring commercial accounts; and restricting
4 scrap processors and recycling facility operators from
5 purchasing certain materials.

6 The General Assembly finds that:

7 (1) Copper, aluminum, steel and other metal commodity
8 prices rise as the theft of metal property increases.

9 (2) Scrap processors and recycling facility operators
10 may serve as unknowing conduits for the disposition of stolen
11 metal property and may also be victims of theft.

12 (3) This act is needed to ensure appropriate
13 documentation of transactions to assist law enforcement
14 agencies to identify, recover and return stolen property to
15 its owner and to ensure, as reasonably as possible, that
16 scrap processors and recycling facility operators are less
17 likely to be used as unknowing conduits for the liquidation
18 and disposal of stolen metal property.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. Short title.

4 This act shall be known and may be cited as the Scrap
5 Material Theft Prevention Act.

6 Section 2. Definitions.

7 The following words and phrases when used in this act shall
8 have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 "Commercial account." A relationship between a scrap metal
11 business and a commercial enterprise that is ongoing and
12 properly documented.

13 "Commercial enterprise." A corporation, partnership, limited
14 liability company, association, State agency, political
15 subdivision of the Commonwealth, public corporation or any other
16 legal or commercial entity.

17 "Commercial metal property." Utility access covers, street
18 light poles and fixtures, road and bridge guardrails, highway or
19 street signs, water meter covers, traffic directional and
20 control signs, traffic light signals, any metal property marked
21 with the name of the commercial enterprise, including, but not
22 limited to, a telephone, cable, electric, water, natural gas or
23 other utility or railroad, unused or undamaged building
24 construction materials consisting of copper pipe, tubing or
25 wiring, aluminum wire, siding, downspouts or gutters, aluminum
26 or stainless steel fence panels, aluminum decking, bleachers or
27 risers, historical markers, statue plaques, grave markers,
28 funeral vases, beer kegs, agricultural irrigation wheels,
29 sprinkler heads, pipes and other materials that might not be new
30 but are clearly suspect.

1 "Ferrous metals." Any metals containing significant
2 quantities of iron or steel.

3 "Nonferrous metals." Metals not containing significant
4 quantities of iron or steel, including, but not limited to,
5 copper, brass, aluminum, bronze, lead, zinc and nickel and
6 alloys thereof. The term does not include precious metals.

7 "Recycling facility operator." A person who operates a
8 facility employing a technology that is a process to separate or
9 classify municipal waste and who creates or recovers reusable
10 materials that can be sold to or reused by a manufacturer as a
11 substitute for or a supplement to virgin raw materials. The term
12 does not include a person who operates a transfer station or
13 landfill for solid waste, composting facility or resource
14 recovery facility.

15 "Scrap processor." A person who, from a fixed location,
16 utilizes machinery and equipment for processing and
17 manufacturing ferrous or nonferrous metallic scrap, paper scrap,
18 plastic scrap, rubber scrap or glass scrap into prepared grades
19 and whose principal product is sold as a raw material in the
20 manufacture of new products.

21 "Seller." A person who sells scrap materials to a scrap
22 processor or recycling facility operator.

23 Section 3. Identification requirements for sale of scrap
24 materials to scrap processors and recycling
25 facility operators.

26 (a) General rule.--A scrap processor and recycling facility
27 operator shall collect the following information for all
28 transactions by a seller of restricted material under section 5
29 and from all other sellers when the purchase of scrap material
30 exceeds \$50:

1 (1) Recording the name, telephone number and address of
2 the seller.

3 (2) Recording the number of a driver's license or other
4 form of government identification or photocopying or scanning
5 the license or other identification.

6 (3) Recording the make, year, type and license plate
7 number of the motor vehicle the seller operates at the time
8 of the transaction.

9 (4) Creating and recording a unique identification
10 number for the seller and using it for every transaction with
11 that seller which shall be documented on all receipts. The
12 number shall be assigned based on an initial collection of
13 seller information.

14 (5) Obtaining the seller's signature for each
15 transaction.

16 (b) Supplemental information.--In addition to the
17 information required under subsection (a), a scrap processor and
18 recycling facility operator shall also collect the following
19 information from a seller:

20 (1) The date and time of the transaction.

21 (2) A description of the scrap material included in the
22 transaction.

23 (c) Tracking the transaction.--A scrap processor and
24 recycling facility operator shall, when payment is made in cash,
25 develop methods of tracking a transaction that obtains the
26 seller's signature on a receipt for the transaction. The receipt
27 shall include a certification that the seller is the owner or
28 authorized seller of the scrap material.

29 (d) Holding period.--

30 (1) Following notification, either verbally or in

1 writing, from a law enforcement officer of this Commonwealth
2 or any of its political subdivisions that certain scrap
3 materials have been reported as stolen, a scrap processor or
4 recycling facility operator that is in possession of the
5 scrap material in question shall hold that scrap material
6 intact and safe from alteration, damage or commingling, and
7 shall place an identifying tag or other suitable
8 identification upon the scrap material. The scrap operator or
9 recycling facility shall hold the scrap material for a period
10 of time as directed by the applicable law enforcement agency,
11 up to a maximum of three business days, unless extended
12 pursuant to paragraph (3).

13 (2) A law enforcement official of this Commonwealth or
14 any of its political subdivisions shall not place a hold on
15 any scrap material unless that law enforcement official
16 reasonably suspects that the scrap material is lost or
17 stolen. Any hold that is placed on scrap material shall not
18 exceed three business days and the scrap material must be
19 returned to the owner or released when the hold has been
20 released or has expired.

21 (3) A holding period may be extended beyond three days
22 only upon the order of a magisterial district judge after the
23 magisterial district judge has determined that probable cause
24 exists that the scrap material is lost or stolen.

25 (e) Maintenance of records.--The information required by
26 this section shall be maintained by the scrap processor or
27 recycling facility operator for a minimum of two years from the
28 date of the transaction.

29 Section 4. Commercial accounts.

30 (a) Duty to create and maintain.--Every scrap processor and

1 recycling facility operator must create and maintain a permanent
2 record with a commercial enterprise, including another scrap
3 metal business, in order to establish a commercial account. The
4 record shall, at a minimum, include the following information:

5 (1) The full name of the commercial enterprise or
6 commercial account.

7 (2) The business address and telephone number of the
8 commercial enterprise or commercial account.

9 (3) The full name of the person employed by the
10 commercial enterprise or commercial account who is authorized
11 to deliver the ferrous or nonferrous metal or commercial
12 metal property to the scrap processor or recycling facility.

13 (4) A letter from the commercial enterprise designating
14 the seller as representative of that enterprise who is
15 authorized to sell the ferrous or nonferrous metal or
16 commercial metal property on behalf of the commercial
17 enterprise.

18 (b) Additional information.--The record for each commercial
19 enterprise maintained by the scrap processor or recycling
20 facility operator shall document every purchase and receipt of
21 ferrous or nonferrous metal and commercial metal property. That
22 documentation shall include, at a minimum:

23 (1) The date, time and value of the property being
24 purchased or received.

25 (2) A description of the predominant types of property
26 being purchased or received.

27 Section 5. Restricted materials.

28 A scrap processor and recycling facility operator may
29 purchase the following scrap material only if the purchase
30 occurs with a commercial enterprise in conjunction with a

1 contract or letter of authorization from the commercial
2 enterprise:

3 (1) New production scrap or new materials that are a
4 part of a manufacturing process that are being sold by an
5 individual, not a company.

6 (2) Full sized, new materials, such as those used in
7 construction, or equipment and tools used by contractors.

8 (3) Commercial metal property.

9 (4) Metallic wire that has been burned in whole or in
10 part to remove insulation.

11 Section 6. Law enforcement.

12 A scrap processor and recycling facility operator may
13 disclose seller registration information to any investigative or
14 law enforcement officer or any person acting at the direction or
15 request of an investigative or law enforcement officer to
16 investigate suspected criminal activities and who has secured a
17 subpoena, warrant or court order.

18 Section 7. Penalties.

19 A scrap processor and recycling facility operator who
20 violates this act commits a summary offense and shall, upon
21 conviction, be sentenced to pay a fine of \$2,500. A second or
22 subsequent violation shall be classified as a misdemeanor of the
23 third degree.

24 Section 8. Effective date.

25 This act shall take effect in 60 days.