
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1742 Session of
2007

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

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF
REPRESENTATIVES, AS AMENDED, DECEMBER 11, 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 "CATALYTIC CONVERTER." AN AIR POLLUTION ABATEMENT DEVICE ←
11 THAT REMOVES POLLUTANTS FROM MOTOR VEHICLE EXHAUST, EITHER BY
12 OXIDIZING THEM INTO CARBON DIOXIDE AND WATER OR REDUCING THEM TO
13 NITROGEN.

14 "Commercial account." A relationship between a scrap metal
15 business and a commercial enterprise that is ongoing and
16 properly documented.

17 "Commercial enterprise." A corporation, partnership, limited
18 liability company, association, State agency, political
19 subdivision of the Commonwealth, public corporation or any other
20 legal or commercial entity.

21 "Commercial metal property." Utility access covers, street
22 light poles and fixtures, road and bridge guardrails, highway or
23 street signs, water meter covers, traffic directional and
24 control signs, traffic light signals, any metal property marked
25 with the name of the commercial enterprise, including, but not
26 limited to, a telephone, cable, electric, water, natural gas or
27 other utility or railroad, unused or undamaged building
28 construction materials consisting of copper pipe, tubing or
29 wiring, aluminum wire, siding, downspouts or gutters, aluminum
30 or stainless steel fence panels, aluminum decking, bleachers or

1 risers, historical markers, statue plaques, grave markers,
2 funeral vases, beer kegs, agricultural irrigation wheels,
3 sprinkler heads, pipes and other materials that might not be new
4 but are clearly suspect.

5 "Ferrous metals." Any metals containing significant
6 quantities of iron or steel.

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

11 "PROCESSING." RECEIVING, STORING OR RESELLING SCRAP
12 MATERIALS FOR PAYMENT OR OTHER FINANCIAL CONSIDERATION. ←

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

21 "Scrap processor." A person who, from a fixed location,
22 utilizes machinery and equipment for processing and
23 manufacturing ferrous or nonferrous metallic scrap, paper scrap,
24 plastic scrap, rubber scrap or glass scrap into prepared grades
25 and whose principal product is sold as a raw material in the
26 manufacture of new products.

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

29 Section 3. Identification requirements for sale of scrap
30 materials to scrap processors and recycling

1 facility operators.

2 (a) General rule.--A scrap processor and recycling facility
3 operator shall collect the following information for all
4 transactions by a seller of restricted material under section 5, <—
5 ~~and~~ from all other sellers when the purchase of scrap material <—
6 exceeds ~~\$50~~ \$100 AND FOR ALL TRANSACTIONS INVOLVING A CATALYTIC <—
7 CONVERTER:

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

10 (2) Recording the number of a driver's license or other
11 form of government identification or photocopying or scanning
12 the license or other identification.

13 (3) Recording the make, year, type and license plate
14 number of the motor vehicle the seller operates at the time
15 of the transaction.

16 (4) Creating and recording a unique identification
17 number for the seller and using it for every transaction with
18 that seller which shall be documented on all receipts. The
19 number shall be assigned based on an initial collection of
20 seller information.

21 (5) Obtaining the seller's signature for each
22 transaction.

23 (6) OBTAINING WRITTEN PERMISSION OF THE SELLER'S PARENT <—
24 OR LEGAL GUARDIAN, IF THE SELLER IS UNDER 18 YEARS OF AGE.

25 (b) Supplemental information.--In addition to the
26 information required under subsection (a), a scrap processor and
27 recycling facility operator shall also collect the following
28 information from a seller:

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

30 (2) A description of the scrap material included in the

1 transaction.

2 (c) Tracking the transaction.--A scrap processor and
3 recycling facility operator shall, when payment is made in cash,
4 develop methods of tracking a transaction that obtains the
5 seller's signature on a receipt for the transaction. The receipt
6 shall include a certification that the seller is the owner or
7 authorized seller of the scrap material.

8 (d) Holding period.--

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

22 (2) A law enforcement official of this Commonwealth or
23 any of its political subdivisions shall not place a hold on
24 any scrap material unless that law enforcement official
25 reasonably suspects that the scrap material is lost or
26 stolen. Any hold that is placed on scrap material shall not
27 exceed three business days and the scrap material must be
28 returned to the owner or released when the hold has been
29 released or has expired.

30 (3) A holding period may be extended beyond three days

1 only upon the order of a magisterial district judge after the
2 magisterial district judge has determined that probable cause
3 exists that the scrap material is lost or stolen.

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

8 Section 4. Commercial accounts.

9 (a) Duty to create and maintain.--Every scrap processor and
10 recycling facility operator must create and maintain a permanent
11 record with a commercial enterprise, including another scrap
12 metal business, in order to establish a commercial account. The
13 record shall, at a minimum, include the following information:

14 (1) The full name of the commercial enterprise or
15 commercial account.

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

18 (3) The full name of the person employed by the
19 commercial enterprise or commercial account who is authorized
20 to deliver the ferrous or nonferrous metal or commercial
21 metal property to the scrap processor or recycling facility.

22 (4) A letter from the commercial enterprise designating
23 the seller as representative of that enterprise who is
24 authorized to sell the ferrous or nonferrous metal or
25 commercial metal property on behalf of the commercial
26 enterprise.

27 (b) Additional information.--The record for each commercial
28 enterprise maintained by the scrap processor or recycling
29 facility operator shall document every purchase and receipt of
30 ferrous or nonferrous metal and commercial metal property. That

1 documentation shall include, at a minimum:

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

4 (2) A description of the predominant types of property
5 being purchased or received.

6 Section 5. Restricted materials.

7 A scrap processor and recycling facility operator may
8 purchase the following scrap material only if the purchase
9 occurs with a commercial enterprise in conjunction with a
10 contract or letter of authorization from the commercial
11 enterprise:

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

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

17 (3) Commercial metal property.

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

20 Section 6. Law enforcement.

21 A scrap processor and recycling facility operator ~~may~~ SHALL <—
22 disclose seller registration information REQUIRED BY THIS ACT <—
23 DURING NORMAL BUSINESS HOURS to any investigative or law
24 enforcement officer or any person acting at the direction or
25 request of an investigative or law enforcement officer to
26 investigate suspected criminal activities ~~and who has secured a~~ <—
27 ~~subpoena, warrant or court order.~~

28 Section 7. Penalties.

29 A scrap processor and recycling facility operator who
30 violates this act commits a summary offense and shall, upon

1 conviction, be sentenced to pay a fine of UP TO \$2,500. A second ←
2 or subsequent violation shall be classified as a misdemeanor of
3 the third degree.

4 Section 8. Effective date.

5 This act shall take effect in 60 days.