

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Bonamici, Dingfelder, Kruse, Whitsett, Prozanski
Nays:	0
Exc.:	0
Prepared By:	Aaron Knott, Counsel
Meeting Dates:	5/4, 5/25

WHAT THE MEASURE DOES: Adds non-profit corporations to the definition of “commercial seller” for the purpose of selling scrap metal to scrap metal businesses. Requires non-profit corporations to receive payment by check. Authorizes scrap metal businesses to release a check directly to an individual or non-profit corporation with the written approval of the law enforcement agency possessing jurisdiction over the scrap metal business. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Record keeping of written authorization from law enforcement
- Repeat customers as known actors not requiring repeated reauthorization
- Non-profit organizations involved in the sale of scrap metal.

EFFECT OF COMMITTEE AMENDMENT: Adds requirement that a scrap metal business retain written authorization from a law enforcement agency for direct check release for a period of one year.

BACKGROUND: ORS 165.107 describes the crime of failing to maintain a metal purchase record, a Class B misdemeanor. This offense relates generally to the problem of drug users, primarily methamphetamine users, financing their habit through stealing and then recycling metal (for money). The focus is on the metal recycler/dealer. Rather than allowing “no questions asked” commerce in nonferrous scrap metals, dealers must record certain information about each transaction and cannot release payment except in form of check mailed no sooner than three days after the transaction. The existing statutory regime makes a distinction between individuals, who must be sent checks and file their personal information with the seller with each transaction, and commercial sellers, who are allowed to create a permanent “commercial account” between a commercial seller and a scrap metal business for regularly or periodically selling, delivering, purchasing or receiving metal property (See ORS 165.116).

In neither category are allowances made for non-profit corporations. House Bill 2696 A introduces non-profit corporations as a third regulatory category by including non-profit corporations in the definition of commercial seller but requiring non-profit corporations to receive payment via a mailed, nontransferable check made payable to the non-profit corporation no earlier than three days after the date of the purchase.

This measure also allows the direct release of a check to an individual or non-profit corporation with written authorization from the relevant law enforcement agency possessing jurisdiction over the scrap metal business. This will allow for a faster transaction between scrap metal businesses and customers who have been sufficiently vetted by law enforcement. A scrap metal business must retain written authorization from a law enforcement agency for direct check release for a period of one year.