

**REVENUE:**

**FISCAL:**

**SUBSEQUENT REFERRAL TO:**

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**Action:**

**Vote:**

**Yeas:**

**Nays:**

**Exc.:**

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**Meeting Dates:** 3/9

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**WHAT THE MEASURE DOES:** Enables scrap metal business to make payment by stored value device including, debit card, stored value card or other device that draws funds from an account owned or operated by the user and that allows the user to obtain something of value from a merchant.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

*(-1 amendment):* Expands the availability of a payment account to a money transmitter.

**BACKGROUND:** The high price of copper and other metals—combined with extended economic hardship—continues to drive metal theft across the country, effecting urban, rural and agricultural communities. Although lower than peak prices in recent years, copper’s per pound value ranges from double to triple that of values in the early 2000s. Increased incidents of metal theft in recent years have provoked states, utilities, local police forces and industry to act by regulating metal sales, increasing requirements for licensed dealers and increasing penalties for illegal activity.

Oregon legislation to combat metal theft was originally passed in 2009. There are two types of metal that are regulated. Ferrous describes iron based metals. Nonferrous includes the more valuable metals such as copper, aluminum, brass and stainless steel. Nonferrous metals, particularly copper, are most often the target of metal thieves. Thus, nonferrous metal purchases are more heavily regulated than ferrous.

For example, felons convicted certain property crimes within the last five years may not sell nonferrous metal to scrap dealers. Cash payments for nonferrous purchases are prohibited. Nonferrous metal purchases may be paid by paper check only. Furthermore, these paper checks must be mailed three business days later. The three day delay on payment is designed to give theft victims and law enforcement some time to get the word out to the scrap community about stolen material and hopefully, in many cases, to locate and recover stolen metal prior to any thieves receiving payment. In addition, the law requires scrap dealers to keep extensive records on every customer and transaction, including copies of drivers’ licenses, physical address, delivery vehicle license plate, and the record must be submitted to law enforcement daily.

Technological advancements for additional non-cash payment options exist today that did not exist in 2009 and SB 693 would allow scrap dealers to modernize payment methods to keep up with customer demand as well as improve business efficiency, all while preserving the spirit of the law. The bill does not erode the ban on cash payments for nonferrous metals.

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***This summary has not been adopted or officially endorsed by action of the committee.***

SB 693 would expand the nonferrous metal payment options to include payment by debit card. A debit card registered to the customer would be handed to the customer over the counter at the time of the transaction. At the time of transaction the card would be “empty.” The card would fund with the payment three days later.