

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

MEASURE: SB 693 A
CARRIER: Sen. Girod

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 03/11/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 03/11

Vote:

Yeas: 4 - Girod, Monroe, Riley, Thomsen

Exc: 1 - Beyer

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Enables scrap metal business to make payment by stored value devices, including debit card, stored value card or other device issued by a financial institution or money transmitter 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:

- Changes in economy since 2009
- Money transmitters
- Past legislative efforts
- Schnitzer Steel

EFFECT OF COMMITTEE AMENDMENT:

Expands the availability of payment accounts to money transmitters.

BACKGROUND:

The high price of copper and other metals, combined with extended economic hardship, continues to drive metal theft across the country, affecting 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 law enforcement 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Oregon legislation to combat metal theft was originally enacted in 2009. There are two types of metal that are regulated: ferrous describes iron-based metals, while 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 of certain property crimes within the last five years may not sell nonferrous metal to scrap dealers. Nonferrous metal purchases may be paid by paper check mailed three business days after the transaction. 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. In addition, the law requires scrap dealers to keep extensive records on every customer and transaction.

Technological advancements for additional non-cash payment options exist today that did not exist in 2009. Senate Bill 693A allows 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 measure does not erode the ban on cash payments for nonferrous metals. Senate Bill 693A expands 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” and subsequently funded with the payment three days later.