

2007 DRAFTING REQUEST

Bill

Received: **02/08/2007**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Marlin Schneider (608) 266-0215**

By/Representing: **Mike Schoenfield**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Trade Regulation - other**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Schneider@legis.wisconsin.gov**

Carbon copy (CC:) to: **christopher.sundberg@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Scrap metal sale and purchase

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	csundber 02/28/2007	wjackson 03/10/2007		_____			
/P1	csundber 03/15/2007	wjackson 03/15/2007	sherritz 03/13/2007	_____	lparisi 03/13/2007		
/P2	csundber 03/19/2007	wjackson 03/20/2007	pgreensl 03/16/2007	_____	sbasford 03/16/2007		Crime
/1			pgreensl	_____	sbasford	cduerst	

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			03/21/2007 _____		03/21/2007	05/29/2007	

FE Sent For: N/A

<END>

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/P2		1 wj 3/20	pgreensl 03/16/2007	3/21 pg	sbasford 03/16/2007		
			3/21 pg	3/21 pg			
				3/21 pg			

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/?	csundber 02/28/2007	wjackson 03/10/2007					
/P1	csundber	<i>1/2 WJ 3/15</i>	sherritz 03/13/2007	<i>3/16</i>	lparisi 03/13/2007		

FE Sent For:

3/16 PS
PS
<END>

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/?	csundber	/pl wly 2/10	sh 3/13	sh/rog 3/13			

FE Sent For:

<END>

~~Kat~~ Cathleen HAMM

February 2007

To: Sheriff Reichert
State Representative Marlin Schneider

From: Law Enforcement

Thank Cathy -
IF you have any
Questions, Please
Call me at 6-0215
Michael Schoenfeld

Problem

1. The demand for copper and other metals raises prices at scrap yards.
2. Thieves and legitimate scrap hunters (i.e. junk dealers) are encouraged by the high demand and price to acquire these materials.
3. Legitimately the acquisition of such materials is sporadic, but the availability of these metals is found in nearly every application of construction, communications, electrical, plumbing and heating supplies, etc.
4. All over Wisconsin there are reports to law enforcement of copper wire, copper cable, tubing, aluminum and other metal thefts. The thieves break into buildings, steal the metals from electrical and plumbing contractors, sometimes even stealing the company vehicles to haul it to sites where the metals are processed in various ways to sell them to scrap yards and in this process destroying any visible means to identify where the metal came from, and sometimes in what application it was originally intended. For example, copper wire is stripped or burned of its insulation, cut into various lengths, bundled and sold to scrap yards and #1, #2, unburned or clean copper. When the scrapper or thief brings the material in a truck or trailer, the material is weighed, identified as to the type of metal, the customer gets a weight slip, takes it into the cashier and is given a less than descriptive receipt and currency by check for the weight and type of material.
5. From a law enforcement investigative standpoint, our problem is trying to track down the suspects or leads of where extraordinarily large amounts of materials or numerous different scrap yard locations are being visited by the same person with the altered material so as not to attract suspicion that the materials were stolen.

Solution

Law enforcement requests the Legislature to take notice of this problem, not only as a law enforcement issue but also as assistance to the constituency of

contractors who are continually victimized by theft and burglary. Usually the thieves are not identified as suspects until they have sold a large amount of materials. By that time any evidentiary association to what was stolen, altered, then purchased by the scrap yard is lost. If apprehended and adjudicated, the defendant is not able to make restitution payments so the victim or insurance company is out. Also there is no urgency for the scrap yard dealer to make even a reasonable effort to insure that the items being purchased are not stolen.

Law enforcement is requesting that the sale of scrap metals to scrap yards be regulated in some way documenting a "seller's bill of sale" which "evidences the sale" of described items to the purchaser and that the "signed seller warrants good title, that transferred thereof is rightful and that such goods are free from any security interest, lien, or encumbrance", i.e. not stolen. In other words identification of the person, the materials and documentation of where these materials were acquired by the seller. This will insure a paper trail that investigators can follow if even the items were altered from the original intended use.

Law enforcement is requesting that a person who makes their living or at least over a certain dollar amount is accumulating scrap materials for sale to a scrap yard be regulated, perhaps licensed, to acquire and sell materials to a scrap yard.

Law enforcement is requesting that the scrap yard be held accountable; then they wouldn't be so willing to buy anything from anyone at any time. Much like a pawn shop, records would be available to law enforcement establishing a good working relationship so the scrap yard owner is not put in the position of receiving stolen property.

Law enforcement believes that if these steps were taken it would cut down the willingness of a would-be thief to steal such materials for sale to scrap yards knowing that they would have to be licensed and that identification of the materials would be checked regularly, making it less inviting to steal something that would actually have an evidentiary investigative trail.

2/21/07

Do prelim draft based on ISRI best practices.

- \$50 threshold for alum. cans
- Don't include video tracking
- Prohibited materials





Institute of
Scrap Recycling
Industries, Inc.

www.isri.org

Recommended Practices and Procedures for Minimizing the Risks of Purchasing Stolen Scrap Materials

Unfortunately, criminals will take advantage of nearly every opportunity available to them. Thus, as scrap prices rise, the theft of scrap metals seems to increase as well. While construction sites, railroads, and utilities are frequently targets of thieves, no one is immune to this problem. Scrap processors also are often the victims of scrap theft.

Scrap processors can minimize the direct financial risk associated with the inadvertent purchase of stolen scrap by adding a conversion coverage rider to their insurance policy. This coverage does nothing to minimize the risk of criminal prosecution, however, or the negative publicity that might stem from accepting stolen materials.

The purchase of scrap from retail suppliers can pose a greater risk than purchases from industrial or commercial accounts because often the scrap processor will have a long-standing relationship with the industrial or commercial entity, will pick up the scrap directly from the business location, and will pay the business rather than an individual.

The goal of this document is to help scrap processors minimize the risks of purchasing stolen materials and to support attempts to stem the tide of material theft. The Institute of Scrap Recycling Industries (ISRI) recommends that members consider implementing the following management practices. Not all of these recommendations will be appropriate for every scrap processing facility. Scrap processors should analyze their specific operations and implement those recommendations that are most appropriate and have the greatest likelihood of having a positive effect.

1. Outreach:

Scrap processors should develop a working relationship with their local law enforcement, industry, and municipalities to create a mutual understanding of the challenges involved with preventing the inadvertent purchase of stolen scrap. Try to develop a trusting relationship so that they will alert you when they become aware of stolen metals. Try to make it clear to them that when you call to notify them that you might be receiving stolen materials, you need a prompt response.

2. Identifying a Seller:

Scrap processors should collect enough information to identify a seller in the event of a subsequent problem with the material purchased. Several different recordkeeping methods could satisfy this recommendation, including any of the following:

1. Recording the number from a driver's license or other form of government identification, or photocopying or scanning the license or other ID. *any photo ID*
2. Recording the license plate number of the vehicle the seller is driving at the time of the transaction.
3. Creating and recording a unique identification number for each customer and using it for every transaction with that customer. Such a number could be assigned based on an initial collection of customer information and updates of that information not less than every two years.
4. Obtaining the seller's *name printed and* signature for each transaction.

The above list is not meant to be exhaustive. Scrap processors might use a combination of different methods to accomplish the goal of adequate seller identification.

3. Tracking a Transaction (Financial):

When there is a problem with a transaction, it is helpful if scrap processors can connect the scrap material purchased with the material's seller. Certain payment methods can make such tracking easier. The following list is not meant to be exhaustive. Some scrap processors might use a combination of different methods to accomplish the goal of adequately tracking financial transactions.

Scrap processors should consider any or all of the following:

1. Paying by check. *photocopy receipt*
2. Paying by ATM, with a record of the vendor's name. Some ATMs also can photograph the seller.
3. When payment is made in cash, methods of tracking transactions should be established such as requiring the seller's signature on a receipt for each transaction. The receipt should include a certification that the seller is the owner or authorized seller of the materials.

4. Tracking a Transaction (Video):

don't include Many scrap processing facilities already have extensive security video systems. Scrap processors should consider adding an additional camera with a time stamp at the scale or cashier. The video time stamp allows the correlation of specific video segments to

specific transaction times as recorded by the computer or the time stamp on a hand-written scale ticket.

5. Prohibited materials:

Rule of reason? Rulemaking?

Scrap processors should consider refusing to purchase certain types of materials unless the purchase is made in conjunction with a contract or letter of authorization. Materials that deserve such consideration include:

1. New production scrap or new materials that are a part of a manufacturing process that are being sold by an individual, not a company.
2. Items often used only by governments, utilities, or for very specific purposes. Examples include guardrails, manhole covers, certain cables used only in high-voltage transmission lines, historical markers, and cemetery plaques.
3. Full-sized, new materials, such as those used in construction, or equipment and tools used by contractors.
4. Materials that might not be new but are clearly suspect (for example, bleachers from an athletic field or traffic signs) and materials that seem suspicious (for example, 20-foot lengths of copper downspouts tied to the top of a 1970 VW Beetle).
5. Materials that have been reported stolen.

6. Training:

Scrap processors should consider developing a training program for scale operators and receiving personnel on how to identify suspicious materials.

1. Create a set of questions workers can ask when something seems suspicious. Determine when the scale operator or receiving personnel should call a supervisor if they are not getting reasonable responses.
2. Determine when the supervisor should contact a senior manager or owner if a sale seems suspicious.
3. Train personnel on what to say and do if they determine that they do not want to buy the material, how to react if the seller becomes confrontational, and when to call the police.
4. Maintain a list of items that have been reported as stolen and share that list with scale buyers and other personnel as appropriate.



In: 2/28/07
State of Wisconsin
2007 - 2008 LEGISLATURE

71
LRB-1874/2

CTS: /:...

Wlj

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

d-note

Gen

1 AN ACT ^{Gen} relating to: regulating the purchase of scrap metal.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 134.715 of the statutes is created to read:

3 134.71⁵ Scrap metal dealers. (1) In this section:

4 (a) "Scrap metal" means a ferrous or nonferrous metal purchased primarily for
5 its reuse or recycling value as raw metal, including metal that is combined with other
6 materials at the time of purchase, but does not include jewelry, as defined in s. 134.71
7 (1) (c).

8 (b) "Scrap metal dealer" means a person engaged in the business of purchasing
9 and selling scrap metal.

10 (2) No scrap metal dealer may purchase scrap metal from a seller unless the
11 dealer does all of the following:

SECTION 1

1 (a) Verifies the seller's identity using an identification card bearing the seller's
2 photograph.

3 (b) Documents the sale by preparing a form containing all of the following:

4 1. An identifying number from the identification card presented by the seller.

5 2. The name of the seller.

6 3. The license plate number of the seller's vehicle.

7 4. A statement, signed by the seller, that the seller is the owner of or is
8 authorized to sell the scrap metal and has complied with applicable environmental
9 laws and regulations in preparing the scrap metal for sale.

10 5. A description of the items purchased from the seller, including any
11 identifying marks apparent on the items.

12 6. A description of the method the dealer used to pay the seller for the scrap
13 metal.

14 (3) A scrap metal dealer shall retain a copy of the form required under sub. (2)

15 (b) for not less than 6 years and shall make the form available to any law enforcement
16 officer for inspection at any time that the scrap metal dealer's principal place of
17 business is open to the public or at any other reasonable time.

18 (4) ~~A scrap metal dealer may not purchase scrap metal from a seller if any of~~
19 ~~the following apply,~~ unless the seller presents to ^{a scrap metal} the dealer a document that
20 reasonably supports the seller's authority to sell the scrap metal.

21 (a) The scrap metal matches the description of an item that has been reported
22 by law enforcement authorities as having been stolen.

23 (b) The scrap metal consists of new materials used in a manufacturing or
24 construction process.

the dealer may not purchase scrap metal from a seller if any of the following apply

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1874/P1dn

CTS:.....

WLy

Representative Schneider:

This is a preliminary draft. Please review it carefully to ensure it is consistent with your intent and note the following:

1. The provisions of this draft, like current provisions applicable to secondhand dealers and pawnbrokers, are enforced by district attorneys. Alternatively, the provisions could be enforced by an agency, perhaps DATCP.
2. The applicable penalty under the draft would be the default penalty under s. 939.61 (1), a forfeiture not to exceed \$200. Should the draft contain a different penalty?
3. Please carefully review the definition of "scrap metal" and the prohibitions under proposed s. 134.715 (4). The language in these items is intended to serve as a starting point for further refinement of the draft.
4. I have not included in this draft a prohibition on open burning of wire insulation. Such open burning is prohibited under current DNR rules, and punishable by a fine up to \$10,000, up to 6 months imprisonment, or both. If you wish to include in the draft a prohibition specifically aimed at wire insulation, let me know what penalty you have in mind, and I will include it in the next draft.
5. Should the draft include a delayed effective date?

Christopher T. Sundberg
Legislative Attorney
Phone: (608) 266-9739
E-mail:
christopher.sundberg@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1874/P1dn

CTS:wlj:sh

March 13, 2007

Representative Schneider:

This is a preliminary draft. Please review it carefully to ensure it is consistent with your intent and note the following:

1. The provisions of this draft, like current provisions applicable to secondhand dealers and pawnbrokers, are enforced by district attorneys. Alternatively, the provisions could be enforced by an agency, perhaps DATCP.
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Christopher T. Sundberg
Legislative Attorney
Phone: (608) 266-9739
E-mail:
christopher.sundberg@legis.wisconsin.gov

Sundberg, Christopher

From: Schneider, Marlin
Sent: Monday, March 12, 2007 8:44 AM
To: Sundberg, Christopher
Subject: RE: Suggested Legislative Language - ISRI

I don't know if the message got to you but I would also like a provision in this bill that anyone who steals or accepts a metal plaque honoring a military veteran stolen from a cemetery would be guilty of the lowest class of felony offense. - Marlin

From: Sundberg, Christopher
Sent: Friday, March 02, 2007 10:05 AM
To: Schneider, Marlin
Subject: FW: Suggested Legislative Language - ISRI

I just received the attached e-mail regarding the scrap metal draft. I have completed a preliminary draft, which is awaiting editing. If you'd like me to incorporate any of ISRI's suggestions, I could grab the draft back. Otherwise, I'll just let the P draft proceed and await your instructions on a redraft.

CS

From: Jessica M. Pech [mailto:jmp@dewittross.net] **On Behalf Of** Timm P. Speerschneider
Sent: Friday, March 02, 2007 10:07 AM
To: Sundberg, Christopher
Subject: Suggested Legislative Language - ISRI

Attached is the suggested legislative language from ISRI. I would note that WISRI would exempt aluminum can transactions and individual transactions for less than \$200 from the requirements. WISRI would request that any legislation expressly preempt local municipalities from regulating in this area.

If you have any questions, please give me a call.

Timm

Jessica M. Pech
DeWitt Ross & Stevens S.C.
608-283-5500 (direct)
608-252-9243 (fax)
jmp@dewittross.net

Assistant To:

Peter A. Peshek
Timm P. Speerschneider
Benjamin C. Grawe

IRS Circular 230 Disclosure: To comply with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained herein (including any attachments), unless specifically stated otherwise, is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter herein.

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Sundberg, Christopher

From: Parisi, Lori
Sent: Thursday, March 15, 2007 8:53 AM
To: Sundberg, Christopher
Subject: FW: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

Chris....Rep. Schneider e-mailed this to me. I was out yesterday, so was not able to forward it to you until today.

From: Schneider, Marlin
Sent: Tuesday, March 13, 2007 5:55 PM
To: Parisi, Lori
Subject: RE: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

I would like a provision added to this draft that makes the theft of any metallic marker from the grave of a veteran punishable by the lowest level felony and up to a \$10,000 fine and any scrap dealer who knowingly accepts such metal subject to the same penalty.

From: Parisi, Lori
Sent: Tuesday, March 13, 2007 1:29 PM
To: Rep.Schneider
Subject: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

Following is the PDF version of draft LRB 07-1874/P1 and drafter's note.

Sundberg, Christopher

From: Parisi, Lori
Sent: Thursday, March 15, 2007 8:54 AM
To: Sundberg, Christopher
Subject: FW: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

another message...see below

From: Schneider, Marlin
Sent: Tuesday, March 13, 2007 6:01 PM
To: Parisi, Lori
Cc: Tom Reichert
Subject: RE: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

I would like the draft to include the penalties currently in the code. There should also be a delayed effective date of six months to allow people to be notified of the regulations. The penalty section should be the same as a misdemeanor and felony depending on the value of the stolen items but the felony for stealing grave markers.

From: Parisi, Lori
Sent: Tuesday, March 13, 2007 1:29 PM
To: Rep.Schneider
Subject: Draft review: LRB 07-1874/P1 Topic: Scrap metal sale and purchaset

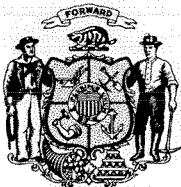
Following is the PDF version of draft LRB 07-1874/P1 and drafter's note.

3/15/07

Redraft LRB-18 JY

class

- ✓ 1. Add felony prohibition on theft of memorial plaques.
- ✓ 2. Add class 1 felony prohib for scrap dealer who accepts memorial plaque.
- ✓ 3. 6 mo. delayed effective date
4. Penalties: add prohibition on sale of stolen scrap; sale or knowing purchase of stolen scrap with threshold penalty like theft.



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1

AN ACT *to create* 134.715 of the statutes; **relating to:** regulating the purchase of scrap metal

2

Reyen

and providing penalties

sale and

INS
1-4

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3

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4

134.715 Scrap metal dealers. (1) In this section:

5

(a) "Scrap metal" means a ferrous or nonferrous metal purchased primarily for its reuse or recycling value as raw metal, including metal that is combined with other materials at the time of purchase, but does not include jewelry, as defined in s. 134.71

8

(1) (c).

9

(b) "Scrap metal dealer" means a person engaged in the business of purchasing and selling scrap metal.

10

INS
1-10

1 (B) (2) No scrap metal dealer may purchase scrap metal from a seller unless the
2 dealer does all of the following:

3 (a) Verifies the seller's identity using an identification card bearing the seller's
4 photograph.

5 (b) Documents the sale by preparing a form containing all of the following:

6 1. An identifying number from the identification card presented by the seller.

7 2. The name of the seller.

8 3. The license plate number of the seller's vehicle.

9 4. A statement, signed by the seller, that the seller is the owner of or is
10 authorized to sell the scrap metal and has complied with applicable environmental
11 laws and regulations in preparing the scrap metal for sale.

12 5. A description of the items purchased from the seller, including any
13 identifying marks apparent on the items.

14 6. A description of the method the dealer used to pay the seller for the scrap
15 metal.

16 (3) A scrap metal dealer shall retain a copy of the form required under sub. (2)
17 (b) for not less than 6 years and shall make the form available to any law enforcement

18 officer for inspection at any time that the scrap metal dealer's principal place of
19 business is open to the public or at any other reasonable time.

20 (4) Unless the seller presents to a scrap metal dealer a document that
21 reasonably supports the seller's authority to sell the scrap metal, the dealer may not
22 purchase scrap metal from a seller if any of the following apply:

23 (a) The scrap metal matches the description of an item that has been reported
24 by law enforcement authorities as having been stolen.

1 (b) The scrap metal consists of new materials used in a manufacturing or
2 construction process.

3 (c) The nature or quantity of the scrap metal would indicate to a reasonable
4 person that the seller is not authorized to sell the scrap metal.

5 (5) This section does not apply to transactions consisting solely of aluminum
6 cans with a total value not exceeding \$50.

7 (END)

INS 3-6 ✓

2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1874/P2ins
CTS:.....

LPS:
Please
check for
extra space.

1 **Insert 1-4:**

2 (a) "Metal cemetery merchandise" means an object described in s. 157.061 (3),
3 if the object is made of metal or a combination of metal and other materials.

4 **Insert 1-10:**

5 (d) "Value" has the meaning given in s. 943.20 (2) (d).

6 (2) (a) No person may sell or purchase scrap metal if the person knows the scrap
7 metal has been stolen.

8 (b) A person who violates this subsection is subject to a fine not to exceed
9 \$10,000 or imprisonment not to exceed 9 months or both, if the value of the scrap
10 metal sold or purchased does not exceed \$2,500.

11 (c) A person who violates this subsection is guilty of a Class I felony, if the value
12 of the scrap metal sold or purchased exceeds \$2,500.

13 (3) No person may sell or purchase metal cemetery merchandise if the person
14 knows the metal cemetery merchandise has been stolen. A person who violates this
15 subsection is guilty of a Class I felony.

16 **Insert 3-6:**

17 **SECTION ~~1~~ Effective date.**

18 (1) This act takes effect on the first day of the 6th month beginning after
19 publication.

Sundberg, Christopher

From: Schneider, Marlin
Sent: Monday, March 19, 2007 10:38 AM
To: Sundberg, Christopher
Subject: RE: Draft review: LRB 07-1874/P2 Topic: Scrap metal sale and purchase

Yes. Thanks.

From: Sundberg, Christopher
Sent: Monday, March 19, 2007 8:40 AM
To: Schneider, Marlin
Subject: FW: Draft review: LRB 07-1874/P2 Topic: Scrap metal sale and purchase

On page 2, lines 11-13, the draft makes it a Class I felony to buy or sell such placques, but it is not limited to items marking veterans' graves. Should I redraft to narrow the prohibition to apply only to items from veterans' graves?

CS

From: Basford, Sarah
Sent: Monday, March 19, 2007 7:35 AM
To: Sundberg, Christopher
Subject: FW: Draft review: LRB 07-1874/P2 Topic: Scrap metal sale and purchase

Sarah Basford

Program Assistant
Legislative Reference Bureau
1 East Main, Suite 200
(608) 266-3561
sarah.basford@legis.wisconsin.gov

From: Schneider, Marlin
Sent: Friday, March 16, 2007 4:13 PM
To: Basford, Sarah
Subject: RE: Draft review: LRB 07-1874/P2 Topic: Scrap metal sale and purchase

I want a provision which makes it a felony to steal or accept a metal plaque stolen from a veteran's grave added to this bill.

From: Basford, Sarah
Sent: Friday, March 16, 2007 9:53 AM
To: Rep.Schneider
Subject: Draft review: LRB 07-1874/P2 Topic: Scrap metal sale and purchase

03/19/2007



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2007 BILL

Other

INS A

Regen

1 AN ACT *to create* 134.715 of the statutes; **relating to:** regulating the sale and
2 purchase of scrap metal and providing penalties.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 134.715 of the statutes is created to read:

4 **134.715 Scrap metal dealers.** (1) In this section:

5 (a) "Metal cemetery merchandise" means an object described in s. 157.061 (3),
6 if the object is made of metal or a combination of metal and other materials.

7 (b) "Scrap metal" means a ferrous or nonferrous metal purchased primarily for
8 its reuse or recycling value as raw metal, including metal that is combined with other
9 materials at the time of purchase, but does not include jewelry, as defined in s. 134.71

10 (1) (c).

1 (c) "Scrap metal dealer" means a person engaged in the business of purchasing
2 and selling scrap metal.

3 (d) "Value" has the meaning given in s. 943.20 (2) (d).

4 (2) (a) No person may sell or purchase scrap metal if the person knows the scrap
5 metal has been stolen.

6 (b) A person who violates this subsection is subject to a fine not to exceed
7 \$10,000 or imprisonment not to exceed 9 months or both, if the value of the scrap
8 metal sold or purchased does not exceed \$2,500.

9 (c) A person who violates this subsection is guilty of a Class I felony, if the value
10 of the scrap metal sold or purchased exceeds \$2,500.

11 (3) No person may sell or purchase metal cemetery merchandise if the person
12 knows the metal cemetery merchandise has been stolen. A person who violates this
13 subsection is guilty of a Class I felony.

associated with the remains of a veteran, as defined in 5023003 (14)(b),

14 (4) No scrap metal dealer may purchase scrap metal from a seller unless the
15 dealer does all of the following:

16 (a) Verifies the seller's identity using an identification card bearing the seller's
17 photograph.

18 (b) Documents the ~~sale~~ *purchase* by preparing a form containing all of the following:

19 1. An identifying number from the identification card presented by the seller.

20 2. The name of the seller.

21 3. The license plate number of the seller's vehicle.

22 4. A statement, signed by the seller, that the seller is the owner of or is
23 authorized to sell the scrap metal and has complied with applicable environmental
24 laws and regulations in preparing the scrap metal for sale.

1 5. A description of the items purchased from the seller, including any
2 identifying marks apparent on the items.

3 6. A description of the method the dealer used to pay the seller for the scrap
4 metal.

5 (5) A scrap metal dealer shall retain a copy of the form required under sub. (4)
6 (b) for not less than 6 years and shall make the form available to any law enforcement
7 officer for inspection at any time that the scrap metal dealer's principal place of
8 business is open to the public or at any other reasonable time.

9 (6) Unless the seller presents to a scrap metal dealer a document that
10 reasonably supports the seller's authority to sell the scrap metal, the dealer may not
11 purchase scrap metal from a seller if any of the following apply:

12 (a) The scrap metal matches the description of an item that has been reported
13 by law enforcement authorities as having been stolen.

14 (b) The scrap metal consists of new materials used in a manufacturing or
15 construction process.

16 (c) The nature or quantity of the scrap metal would indicate to a reasonable
17 person that the seller is not authorized to sell the scrap metal.

18 (7) This section does not apply to transactions consisting solely of aluminum
19 cans with a total value not exceeding \$50.

involving
only

20 **SECTION 2. Effective date.**

21 (1) This act takes effect on the first day of the 6th month beginning after
22 publication.

23

(END)

1

Insert A:

This bill regulates the sale and purchase of scrap metal. Under the bill, no person may sell or purchase scrap metal if the person knows the scrap metal has been stolen. A violator is subject to a fine up to \$10,000, up to 9 months imprisonment, or both, if the value of the scrap metal is \$2,500 or less. If the value of the scrap metal exceeds \$2,500, a violator is subject to a fine up to \$10,000, imprisonment up to 3 years and 6 months, or both. Also under the bill, no person may sell or purchase a metal object associated with the grave of a veteran, if the person knows the object is stolen. A violator is subject to a fine up to \$10,000, imprisonment up to 3 years and 6 months, or both.

Additionally, the bill prohibits a scrap metal dealer from purchasing scrap metal unless the dealer verifies the identity of the seller and documents the purchase by preparing a form containing certain information. The bill requires a dealer to retain the form for not less than 6 years after the sale and to make the form available to law enforcement. Unless a seller presents a dealer with documentation that reasonably supports the seller's authority to sell scrap metal, the dealer may not purchase the scrap metal if any of the following apply: 1) the scrap metal matches the description of an item that has been reported stolen; 2) the scrap metal is a new material used in manufacturing or construction; or 3) the nature or quantity of the scrap metal would indicate to a reasonable person that the seller is not authorized to sell the scrap metal.

The bill's provisions do not apply to transactions involving only aluminum cans with a total value less than \$50.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

Duerst, Christina

From: Schoenfield, Mike
Sent: Tuesday, May 29, 2007 9:06 AM
To: LRB.Legal
Subject: LRB-1874/1

Please send the jacketed package of LRB-1874/1 over to us in Marlin Schneider's office ASAP. Thank you.

Michael Schoenfield

Office of Representative Marlin Schneider
204 North, State Capitol
P.O. Box 8953
Madison, WI 53708

(608) 266-0215

Basford, Sarah

From: Schoenfield, Mike
Sent: Thursday, May 31, 2007 8:23 AM
To: LRB.Legal
Cc: Hogan, Rebecca; Rep.Schneider
Subject: RE: Salvage dealers LRB-1874/1

LRB-Legal,

I spoke with Rep. Marlin Schneider about Senator Luther Olson being the Senate sponsor of LRB-1874, the scrap metal legislation, and he approved of this plan. Therefore, please give Sen. Olson's and his staff full access to LRB-1874 as a model for a Senate Bill per Rep. Marlin Schneider. If you have any questions, please get back to me or Marlin. Thank you.

Michael Schoenfield

Office of Representative Marlin Schneider
204 North, State Capitol
P.O. Box 8953
Madison, WI 53708

(608) 266-0215

From: Hogan, Rebecca
Sent: Wednesday, March 14, 2007 2:37 PM
To: Schoenfield, Mike
Subject: RE: Salvage dealers

Thank you!

From: Schoenfield, Mike
Sent: Wednesday, March 14, 2007 2:06 PM
To: Hogan, Rebecca
Subject: RE: Salvage dealers

Hi Rebecca,

Thus far there has not been a Bill drafted, but we expect a completed Bill any day now and you will be one of the first that I will contact as soon as we get it from LRB. Take care.

Michael

From: Hogan, Rebecca
Sent: Wednesday, March 14, 2007 8:43 AM
To: Schoenfield, Mike
Subject: Salvage dealers

Hey Mike - I'm just checking in about the salvage dealer bill. Any idea when there will be a draft?
Thanks for including us on this issue!

Rebecca Hogan

Office of Senator Luther Olsen
608-266-0751