

**SENATE SUBSTITUTE AMENDMENT 1,
TO 2007 SENATE BILL 225**

October 22, 2007 – Offered by Senator OLSEN.

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 substitute amendment regulates the sale and purchase of scrap metal. Under the substitute amendment, 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, imprisonment up to nine months, 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 three years and six months, or both. Also under the substitute amendment, 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 three years and six months, or both.

Additionally, the substitute amendment prohibits a scrap metal dealer from purchasing scrap metal unless the dealer verifies the identity of the seller and obtains and documents certain information about the transaction. The substitute amendment requires a dealer to retain the information for not less than three years after the sale and to make the information 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 substitute amendment's provisions do not apply to transactions involving only aluminum cans with a total value less than \$50 or to transactions involving sellers that are not individuals. The substitute amendment preempts political subdivisions other than cities of the first class from enacting provisions regulating sales or purchases of scrap metal that are more stringent than the provisions of this substitute amendment.

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

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

2 **134.715 Scrap metal dealers. (1)** In this section:

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

5 (b) “Scrap metal” means all of the following:

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

9 2. All of the following, whether composed of ferrous or nonferrous metals:

10 a. Utility access covers.

11 b. Street light poles and fixtures.

12 c. Road and bridge guard rails.

13 d. Highway or street signs.

14 e. Water meter covers.

15 f. Traffic directional and control signs.

16 g. Any metal objects marked with the name of a governmental entity.

1 h. Property owned by, and marked as owned by, a telephone, cable, electric,
2 water, or other utility, or railroad.

3 i. Historical markers.

4 j. Grave markers and vases.

5 (c) “Scrap metal dealer” means a person engaged in the business of purchasing
6 and selling scrap metal.

7 **(2)** (a) For purposes of this subsection, “value” means the cost of replacing an
8 object sold or purchased in violation of par. (b) with another object substantially
9 identical, in function and condition, to the object sold or purchased at the time the
10 object was stolen.

11 (b) No person may sell or purchase scrap metal if the person knows the scrap
12 metal has been stolen.

13 (c) A person who violates this subsection is subject to a fine not to exceed
14 \$10,000 or imprisonment not to exceed 9 months or both, if the value of the scrap
15 metal sold or purchased does not exceed \$2,500.

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

18 **(3)** No person may sell or purchase metal cemetery merchandise associated
19 with the remains of a veteran, as defined in s. 230.03 (14) (b), if the person knows the
20 metal cemetery merchandise has been stolen. A person who violates this subsection
21 is guilty of a Class I felony.

22 **(4)** No scrap metal dealer may purchase scrap metal from a seller unless the
23 dealer does all of the following:

24 (a) Verifies the seller’s identity using a driver’s license, tribal identification
25 card, or other government–issued identification card.

1 (b) Obtains and documents all of the following information:

2 1. The name of the seller.

3 2. The license plate number of the seller's vehicle, if the seller arrived at the
4 dealer's premises in a vehicle.

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

8 4. A description, consistent with the format recommended by the national
9 institute of scrap recycling industries, of the items purchased from the seller.

10 5. A description of the method the dealer used to pay the seller for the scrap
11 metal

12 6. A copy of the identification described in par. (a).

13 **(5)** A scrap metal dealer shall retain the information required under sub. (4)
14 (b) for not less than 3 years after the date of the purchase and shall make the
15 information available to any law enforcement officer for inspection at any time that
16 the scrap metal dealer's principal place of business is open to the public or at any
17 other reasonable time.

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

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.

