



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Assembly Bill 560**

**Assembly Substitute  
Amendment 1**

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Assembly Bill 560 relates to the purchase and sale of scrap metal and other metal items and related provisions. This Memo describes the differences between the bill and Assembly Substitute Amendment 1.

### **Addition of Railroad Track to Proprietary Articles**

Under the *bill*, the purchase of nonferrous scrap, metal articles, and proprietary articles by a scrap metal dealer are subject to specified documentation and record keeping requirements. The *substitute amendment* adds to the definition of “proprietary article” the following items: “a rail, switch component, spike, angle bar, tie plate, or bolt used to construct railroad track.” If a scrap metal dealer purchases one of these items, then under the substitute amendment, the dealer must record a description of that item as part of the dealer’s documentation of the transaction.

### **Inspection of Scrap Metal Dealer Records**

The *bill* requires a scrap metal dealer to make its records documenting the purchase of nonferrous scrap, metal articles, or proprietary articles available to a law enforcement officer, or an agent of a governmental entity, telecommunications provider public utility, cable operator, an entity that produces, transmits, delivers, or furnishes electricity, or a transportation, shipbuilding, ship repair, mining, or manufacturing company, if the agent presents his or her credentials at the scrap metal dealer’s place of business during normal business hours. The *substitute amendment* removes the authority for all of these agents, other than an agent of a governmental entity, to inspect these records.

### **Scrap Metal Dealer Record Keeping Requirements**

The *substitute amendment* removes the requirement that a scrap metal dealer record the required information in a ledger when the dealer purchases nonferrous scrap, metal articles, or proprietary articles, thus authorizing the maintenance of these records in other formats, including an electronic

format. The *substitute amendment* requires that a scrap metal dealer maintain required photographic or video images showing the seller's or deliverer's vehicle's license plate and a view of the vehicle sufficient to identify the vehicle for not less than three months after obtaining the image rather than the two-year retention period specified in the bill.

### *Exemption for Commercial Accounts*

The *substitute amendment* creates an exemption from the documentation and record keeping requirements in the bill for the purchase by a scrap metal dealer of nonferrous scrap, metal articles, or proprietary articles if the dealer purchases one of these items from a "commercial account" and creates and maintains a record of its purchases from the commercial account that includes all of the following:

- The full name of the commercial account.
- The business address and telephone number of the commercial account.
- The full names of persons employed by the commercial account who are authorized to deliver nonferrous scrap, metal articles, or proprietary articles to the scrap metal dealer.
- The time, date, and value of each of the scrap metal dealer's purchases from the commercial account.
- A description of the predominant types of nonferrous scrap, metal articles, or proprietary articles a scrap metal dealer has purchased from the commercial account.

The substitute amendment defines "commercial account" to mean a commercial enterprise with which a scrap metal dealer maintains an ongoing and documented business relationship. The substitute amendment defines "commercial enterprise" to mean a corporation, partnership, limited liability company, business operated by an individual, association, state agency, political subdivision, or other government or business entity including the scrap metal dealer.

The substitute amendment requires a scrap metal dealer to maintain the records identified in the first two bullet points in the above list for not less than two years after the dealer's most recent transaction with the commercial account. Records identified in the third to fifth bullet points must be maintained for not less than two years after recording the specified item.

### *Local Ordinances*

Under the *bill*, a county, town, city, or village may enact an ordinance governing the sale and purchase of scrap metal if that ordinance is at least as stringent as the state requirements created by the bill. The *substitute amendment* establishes that these local units of government may enact an ordinance governing the sale and purchase of scrap metal if the ordinance is not more stringent than the state requirements, except that a first class city may enact an ordinance that is more stringent than the state requirements.

**Reports to Law Enforcement Officers**

The **bill** authorizes a law enforcement officer to request reports from scrap metal dealers of all purchases of nonferrous scrap, metal articles, and proprietary articles submitted in an electronic format, provided that the officer provides notice of this requirement not less than one year before the requirement takes effect. The **substitute amendment** deletes this notice requirement and instead authorizes local governments to enact an ordinance that requires these reports in an electronic format, notwithstanding the limitation on local ordinances summarized in the preceding item.

**Legislative History**

On February 12, 2008, the Assembly Committee on Energy and Utilities offered Assembly Substitute Amendment 1, voted to recommend adoption of Assembly Substitute Amendment 1 on a vote of Ayes, 10; Noes, 0; and voted to recommend passage of Assembly Bill 560, as amended, on a vote of Ayes, 9; Noes, 1.

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