

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 56th Legislature (2018)

4 ENGROSSED SENATE
5 BILL NO. 1481

By: Smalley of the Senate

and

Bush of the House

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9 An Act relating to scrap metal; amending 59 O.S.
10 2011, Section 1423, as last amended by Section 1,
11 Chapter 42, O.S.L. 2017, and as renumbered by Section
12 5, Chapter 18, O.S.L. 2014 (2 O.S. Supp. 2017,
13 Section 11-92), which relates to the Oklahoma Scrap
14 Metal Dealers Act; modifying reporting methods;
15 altering resolution requirement for digital images;
16 making certain action unlawful; requiring certain
17 documentation be provided to scrap metal dealer;
18 prohibiting payment for vehicle until certain
19 information is submitted; and providing an effective
20 date.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 59 O.S. 2011, Section 1423, as
23 last amended by Section 1, Chapter 42, O.S.L. 2017, and as
24 renumbered by Section 5, Chapter 18, O.S.L. 2014 (2 O.S. Supp. 2017,
25 Section 11-92), is amended to read as follows:

26 Section 11-92. A. Every scrap metal dealer shall keep a
27 separate book, record or other electronic system as authorized by
28 the Oklahoma Scrap Metal Dealers Act, to record and maintain the

1 following data from any seller of any amount of scrap metal as
2 defined by the Oklahoma Scrap Metal Dealers Act:

3 1. A legible photocopy of the seller's valid driver license or
4 ~~other form of government issued~~ provided photo identification ~~that~~
5 ~~contains his or her name, address, date of birth, weight and height,~~
6 issued by the United States government, State of Oklahoma or any
7 other state of the United States;

8 2. Vehicle description and license tag number of the seller if
9 the vehicle was used to transport the material being sold;

10 3. Date and place of the transaction and the transaction number
11 as provided by the scrap metal dealer;

12 4. Description of the items sold and weight of the items as
13 required by the provisions of the Oklahoma Scrap Metal Dealers Act;

14 5. Whether the scrap metal is in wire, cable, bar, rod, sheet
15 or tube form;

16 6. If any insulation is on the scrap metal, the names and
17 addresses of the persons, groups or corporations from whom seller
18 purchased or obtained the materials; and

19 7. If apparent on the scrap metal, the name of the manufacturer
20 and serial number of each item of scrap metal.

21 B. Municipalities or other political subdivisions may ~~prescribe~~
22 designate the reporting methods and the format of the information
23 required by subsection A of this section, either written, electronic
24 or ~~internet-based~~ Internet-based. The Department shall designate an

1 Internet-based reporting method that applies to all geographic areas
2 of the state that are not subject to a local designation for
3 Internet reporting.

4 C. Records required by this section shall be made available at
5 any time to any person authorized by law for such inspection.

6 D. Purchases of thirty-five (35) pounds or more of scrap metal
7 containing a manufacturer's serial number or other unique label or
8 mark shall be held separate and apart so that the purchased scrap
9 metal may be readily identifiable from all other purchases for a
10 period of not less than ten (10) days from the date of purchase.
11 During the holding period the scrap metal dealer may not change the
12 form of the purchased scrap metal and shall permit any person
13 authorized by law to make inspection of such materials.

14 E. Purchases of thirty-five (35) pounds or more of scrap metal
15 which does not contain a manufacturer's serial number or other
16 unique label or mark shall either be held for the same time and in
17 the same manner as required by subsection D of this section; or in
18 the alternative, the scrap metal dealer shall be required to obtain
19 a digital image of the items purchased, the seller of the items, a
20 copy of the bill of sale and a copy of the seller's photo
21 identification. The digital image shall contain a depiction that
22 ~~can reasonably be utilized for identification of~~ clearly identifies
23 the seller and the items sold and is captured in the common JPEG
24 format ~~with a minimum resolution of 640 pixels by 480 pixels.~~ The

1 digital image shall be retained by the purchaser for a minimum of
2 ninety (90) days from the date of purchase. For the purpose of this
3 section a "digital image" means a raster-based two-dimensional,
4 rectangular array of static data elements called pixels, intended
5 for display on a computer monitor or for transformation into another
6 format, such as a printed page.

7 F. No purchase of any amount of scrap metal from an exempted
8 seller, as defined by Section 11-91 of this title, shall be subject
9 to any holding period or digital imaging identification required by
10 subsection D or E of this section.

11 G. It shall be unlawful for any person to sell or purchase
12 copper material or copper wire from which the actual or apparent
13 insulation or other coating has been burned, melted or exposed to
14 heat or fire resulting in melting some or all of the insulation or
15 coating. It shall be unlawful for any person to sell or purchase
16 copper wire that is four gauge or larger in size. This provision
17 subsection shall not apply to sales by or purchases from an exempted
18 seller as defined by Section 11-91 of this title. Documentation of
19 exempted-seller status shall be provided to the scrap metal dealer
20 and, if requested by a law enforcement agency where the purchase was
21 made, shall be transmitted to the law enforcement agency and may be
22 kept as permanent record.

23 H. It shall be unlawful for any scrap metal dealer to purchase
24 any item from a minor without having first obtained the consent, in

1 writing, of a parent or guardian of such minor. Such written
2 consent shall be kept with the book, record or other electronic
3 recording system required by subsection A of this section and, if
4 requested by a law enforcement agency where the purchase was made,
5 shall be transmitted to the law enforcement agency and may be kept
6 as a permanent record and made available for public inspection.

7 I. A scrap metal dealer shall obtain from each seller of a
8 scrap metal item regulated by the Oklahoma Scrap Metal Dealers Act,
9 or a parent or guardian on behalf of a minor, a written declaration
10 of ownership containing a legible signature of the seller. The
11 declaration of ownership shall be in the following form and shall
12 appear on the bill of sale or transaction ticket to be completed by
13 the seller in the presence of the purchaser at the time of the
14 transaction:

15 "I hereby affirm under penalty of prosecution that I am the
16 rightful owner of the hereon described merchandise; or I am an
17 authorized representative of the rightful owner and affirm that I
18 have been given authority by the rightful owner to sell the hereon
19 described merchandise.

20 _____
21 Signature"

22 J. If requested by a law enforcement agency, a scrap metal
23 dealer shall report in writing all purchases of scrap metal as
24 defined by the Oklahoma Scrap Metal Dealers Act within forty-eight

1 (48) hours following such purchase. The report shall contain all
2 the information required by this section.

3 K. A scrap metal dealer purchasing a vehicle from any person
4 shall be required to record the information required in subsection A
5 of this section and the make, model, license tag number and vehicle
6 identification number of the purchased vehicle. A person selling a
7 vehicle to a scrap metal dealer shall be required to present to the
8 dealer the title of the vehicle or a certificate of ownership form,
9 as approved by the Oklahoma Tax Commission and available at the
10 Oklahoma Tax Commission or through a motor license agent, in
11 addition to signing a declaration of ownership as required by
12 subsection I of this section. The scrap metal dealer shall not
13 provide payment for the vehicle until the certificate of ownership
14 has been submitted to the Oklahoma Tax Commission or a motor license
15 agent and the vehicle is determined not to be stolen. The
16 provisions of this subsection shall not apply to sales, purchases or
17 other transfer of vehicles between scrap metal dealers and licensed
18 automotive dismantlers and parts recyclers.

19 L. The provisions of the Oklahoma Scrap Metal Dealers Act shall
20 not apply to the sale or purchase of aluminum beverage cans for
21 recycling purposes.

22 M. A scrap metal dealer shall not enter into any cash
23 transactions in excess of One Thousand Dollars (\$1,000.00) in
24 payment for the purchase of scrap metal that is listed in subsection

1 B of Section 11-93 of this title unless the transaction is made with
2 an exempted seller. Payment by check shall be issued and made
3 payable only to the seller of the scrap metal whose identification
4 information has been obtained pursuant to the provisions of this
5 section.

6 SECTION 2. This act shall become effective November 1, 2018.

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8 COMMITTEE REPORT BY: COMMITTEE ON BANKING AND BUSINESS, dated
9 03/27/2018 - DO PASS.
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