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# A BILL FOR AN ACT

RELATING TO SCRAP METAL.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 445-233, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "~~§445-233~~ [~~Statement~~] Records required~~[-]~~; payment method;

4 exemption. (a) Every scrap dealer, when the dealer purchases  
5 scrap within the [~~State,~~] state, shall obtain a written  
6 statement signed by the seller certifying that the seller has  
7 the lawful right to sell and dispose of the scrap. This  
8 statement shall also contain the seller's name; the seller's  
9 business or residence address; the seller's occupation; a  
10 description, including serial numbers and other identifying  
11 marks, when practical, of every scrap; the amount received by  
12 the seller; the date, time, and place of the sale; and the  
13 license number of any vehicle used to deliver the property to  
14 the place of purchase.

15 (b) If the scrap presented for purchase is copper, in  
16 whole or in part, the seller shall provide a copy of a receipt  
17 that describes, with particularity:

18 (1) The exact item that is being offered for sale;



- 1 (2) Who issued the receipt;
- 2 (3) The date of sale of the item prior to the item's being  
3 offered to the scrap dealer; and
- 4 (4) The price, if any, of the item when obtained by the  
5 seller.
- 6 (c) If a receipt is not available, the seller shall  
7 provide to the scrap dealer a notarized declaration, describing  
8 with particularity:
- 9 (1) The exact item that is being offered for sale;
- 10 (2) Who sold or otherwise transferred the item to the  
11 seller;
- 12 (3) The date of sale of the item; and
- 13 (4) The price, if any, of the item when obtained by the  
14 seller.
- 15 (d) If the seller does not provide a copy of the receipt  
16 or the notarized declaration as required by subsections (b) and  
17 (c), the scrap dealer shall not purchase the copper, in whole or  
18 in part, and shall report the attempted sale to the police.
- 19 (e) If the scrap dealer purchases any copper, in whole or  
20 in part, the scrap dealer shall take a photograph or photographs  
21 of all of the copper offered for sale.



1 (f) The scrap dealer shall also require the seller to  
2 verify the seller's identity by presenting a valid photo  
3 identification card or license issued by a federal or state  
4 government agency authorized to issue such identification. If  
5 the scrap being offered for sale is copper, in whole or in part,  
6 the scrap dealer shall:

7 (1) Take a photograph of the seller; or

8 (2) Make a photocopy of the identification card or license  
9 of the seller.

10 (g) The scrap dealer shall pay the seller only by check;  
11 provided that if the scrap being sold is copper, the check shall  
12 be issued and mailed to the seller no sooner than five days  
13 after the purchase.

14 [~~g~~] (h) The scrap dealer shall keep at the dealer's  
15 place of business the signed written statement, the receipt or  
16 notarized declaration required by subsections (b) and (c), the  
17 photographs required by subsection (e), [~~and~~] the photocopy of  
18 the identification card or license and photograph of the seller  
19 required by subsection (f), if applicable, from the seller, and  
20 the canceled check used to make payment as required by  
21 subsection (g), if applicable, for a period of two years after  
22 the date of purchase [~~and the~~]. The statement, the receipt or



1 notarized declaration required by subsections (b) and (c), the  
2 photographs required by subsection (e), [~~and~~] the photocopy and  
3 photograph required by subsection (f), if applicable, and the  
4 canceled check used to make payment as required by subsection  
5 (g), if applicable, may be examined at any time by the  
6 treasurer, the chief of police, the attorney general, the  
7 prosecuting attorney, or their designees.

8 [~~(h)~~] (i) Public utilities, as defined in section 269-1,  
9 shall be exempt from the requirements of subsections (b) and  
10 (c). When the seller is a public utility, the scrap dealer  
11 shall not be required to obtain the statement required by  
12 subsection (a), [~~and~~] the scrap dealer shall not be prohibited  
13 by subsection (d) from purchasing the copper from the public  
14 utility~~[-]~~, and the scrap dealer shall not be required to make  
15 payment as required in subsection (g)."

16 SECTION 2. This Act does not affect rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun, before its effective date.

19 SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon approval;  
2 provided that the amendments made to section 445-233, Hawaii  
3 Revised Statutes, by section 1 of this Act shall not be repealed  
4 on July 1, 2009, pursuant to section 7 of Act 197, Session Laws  
5 of Hawaii 2007.



**Report Title:**

Scrap Metal Dealers; Method of Payment

**Description:**

Requires scrap dealers to pay sellers of scrap only by check. For copper sales, requires the check to be mailed to the seller no sooner than 5 days after the purchase. Requires the canceled check to be retained for 2 years and made available for inspection. (HB2589 HD1)

