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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. Chapter 445, Hawaii Revised Statutes, is  
2 amended by adding a new section to read as follows:  
3           "§445-233 Statement required. (a) Every scrap dealer,  
4 when the dealer purchases scrap within the [State,] state  
5 shall obtain a written statement signed by the seller or the  
6 seller's agent certifying that the seller or the seller's agent  
7 has 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) The scrap dealer shall require the seller to verify  
16 the seller's identity by presenting proper identification. The  
17 scrap dealer shall keep at the dealer's place of business the  
18 signed written statement from the seller for a period of two



1 years after the date of purchase and the statement may be  
2 examined at any time by the treasurer or the chief of police.

3 (c) If the scrap dealer purchases any copper, the scrap  
4 dealer shall pay the seller only by check, no sooner than five  
5 days after the purchases, which shall be mailed to the seller.

6 As used in this subsection, "copper" means copper in all  
7 different forms, including tubing, sheets (includes plates),  
8 gutters, down spouts, bars, bare wire or cable, insulated wire  
9 or cable, and aluminum/copper coil used in air conditioning and  
10 refrigeration."

11 SECTION 2. Act 197, Session Laws of Hawaii 2007, is  
12 amended as follows:

13 1. By amending section 3 to read:

14 "~~§445-233~~ [~~Statement~~] Records required[-]; payment method;  
15 exemption. (a) Every scrap dealer, when the dealer purchases

16 scrap within the [~~State,~~] state, shall obtain a written  
17 statement signed by the seller certifying that the seller has  
18 the lawful right to sell and dispose of the scrap. This  
19 statement shall also contain the seller's name; the seller's  
20 business or residence address; the seller's occupation; a  
21 description, including serial numbers and other identifying  
22 marks, when practical, of every scrap; the amount received by

1 the seller; the date, time, and place of the sale; and the  
2 license number of any vehicle used to deliver the property to  
3 the place of purchase.

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

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

8 (2) Who issued the receipt;

9 (3) The date of sale of the item prior to the item's being  
10 offered to the scrap dealer; and

11 (4) The price, if any, of the item when obtained by the  
12 seller.

13 (c) If a receipt is not available, the seller shall  
14 provide to the scrap dealer a notarized declaration, describing  
15 with particularity:

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

17 (2) Who sold or otherwise transferred the item to the  
18 seller;

19 (3) The date of sale of the item; and

20 (4) The price, if any, of the item when obtained by the  
21 seller.



1 (d) If the seller does not provide a copy of the receipt  
2 or the notarized declaration as required by subsections (b) and  
3 (c), the scrap dealer shall not purchase the copper, in whole or  
4 in part, and shall report the attempted sale to the police.

5 (e) If the scrap dealer purchases any copper, in whole or  
6 in part, the scrap dealer shall take a photograph or photographs  
7 of all of the copper offered for sale.

8 (f) The scrap dealer shall also require the seller to  
9 verify the seller's identity by presenting a valid photo  
10 identification card or license issued by a federal or state  
11 government agency authorized to issue such identification. If  
12 the scrap being offered for sale is copper, in whole or in part,  
13 the scrap dealer shall:

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

15 (2) Make a photocopy of the identification card or license  
16 of the seller.

17 (g) If the scrap dealer purchases any copper, the scrap  
18 dealer shall pay the seller only by check, no sooner than five  
19 days after the purchase, which shall be mailed to the seller.

20 [~~g~~] (h) The scrap dealer shall keep at the dealer's  
21 place of business the signed written statement, the receipt or  
22 notarized declaration required by subsections (b) and (c), the



1 photographs required by subsection (e), [~~and~~] the photocopy of  
2 the identification card or license and photograph of the seller  
3 required by subsection (f), if applicable, from the seller, and  
4 the canceled check used to make payment as required by  
5 subsection (g), if applicable, for a period of two years after  
6 the date of purchase [~~and the~~]. The statement, the receipt or  
7 notarized declaration required by subsections (b) and (c), the  
8 photographs required by subsection (e), [~~and~~] the photocopy and  
9 photograph required by subsection (f), if applicable, and the  
10 canceled check used to make payment as required by subsection  
11 (g), if applicable, may be examined at any time by the  
12 treasurer, the chief of police, the attorney general, the  
13 prosecuting attorney, or their designees.

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



1           2. By amending section 7 to read:

2           "SECTION 7. This Act shall take effect on July 1, 2007,  
3 and shall be repealed on July 1, 2009; provided that [~~sections~~  
4 ~~445-233 and~~] section 445-235, Hawaii Revised Statutes, shall be  
5 reenacted in the form in which [~~they~~] it read on the day before  
6 the effective date of this Act."

7           SECTION 3. This Act does not affect rights and duties that  
8 matured, penalties that were incurred, and proceedings that were  
9 begun, before its effective date.

10          SECTION 4. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12          SECTION 5. This Act shall take effect upon approval;  
13 provided that upon the repeal of section 445-233, Hawaii Revised  
14 Statutes, on July 1, 2009, pursuant to section 7 of Act 197,  
15 Session Laws of Hawaii 2007, the new section 445-233, Hawaii  
16 Revised Statutes, in section 1 of this Act shall become  
17 effective.



**Report Title:**

Scrap Metal Dealers; Method of Payment

**Description:**

Requires scrap dealers to pay sellers of scrap copper 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. Makes copper provisions permanent upon repeal of Act 197, Session Laws of Hawaii 2007. (HB2589 HD2)

