

JAN 17 2013

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# A BILL FOR AN ACT

RELATING TO SCRAP DEALERS.

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

1 SECTION 1. Section 445-231, Hawaii Revised Statutes, is  
2 amended by adding two new definitions to be appropriately  
3 inserted and to read as follows:

4 "Catalytic converter" means a vehicle emissions control  
5 device that converts toxic byproducts of combustion in the  
6 exhaust of an internal combustion engine to less toxic  
7 substances by way of catalyzed chemical reactions.

8 "Catalytic converter metals" means any amount of rhodium,  
9 palladium, or platinum in any form, whether by itself or as part  
10 of another item."

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

13 **"§445-233 Statement required.** (a) Every scrap dealer,  
14 when the dealer purchases scrap within the State, shall obtain a  
15 written statement signed by the seller certifying that the  
16 seller has the lawful right to sell and dispose of the scrap.  
17 This statement shall also contain the seller's name; the  
18 seller's business or residence address; the seller's occupation;



1 a description, including serial numbers and other identifying  
2 marks, when practical, of every scrap; the amount received by  
3 the seller; the date, time, and place of the sale; and the  
4 license number of any vehicle used to deliver the property to  
5 the place of purchase.

6 (b) If the scrap presented for purchase is a catalytic  
7 converter or catalytic converter metals, such purchase shall be  
8 made only from a person licensed under chapter 289 or chapter  
9 437B. The seller shall present a photocopy of the seller's  
10 license to the scrap dealer, a record of which shall be kept in  
11 accordance with subsection (i).

12 (c) If the scrap presented for purchase is copper wiring,  
13 such purchase shall be made only from a licensed electrical  
14 contractor.

15 ~~[(b)]~~ (d) If the scrap presented for purchase is copper,  
16 copper wiring, a catalytic converter, catalytic converter  
17 metals, or a beer keg, in whole or in part, the seller shall  
18 provide a copy of a receipt that describes, with particularity:

- 19 (1) The exact item that is being offered for sale;  
20 (2) Who issued the receipt;  
21 (3) The date of sale of the item prior to the item's being  
22 offered to the scrap dealer; and



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

3           ~~[(e)]~~ (e) If a receipt is not available, the seller shall  
4 provide to the scrap dealer a notarized declaration, describing  
5 with particularity:

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

7           (2) Who sold or otherwise transferred the item to the  
8           seller;

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

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

12          ~~[(d)]~~ (f) If the seller does not provide a copy of the  
13 receipt or the notarized declaration as required by subsections  
14 ~~[(b)]~~ (d) and ~~[(e)]~~, (e), the scrap dealer shall not purchase  
15 the copper, copper wiring, catalytic converter, catalytic  
16 converter metals, or beer keg, in whole or in part, and shall  
17 report the attempted sale to the police.

18          ~~[(e)]~~ (g) If the scrap dealer purchases any copper, copper  
19 wiring, catalytic converter, catalytic converter metals, or beer  
20 keg, in whole or in part, the scrap dealer shall take a  
21 photograph or photographs of all of the copper, copper wiring,



1 catalytic converter, catalytic converter metals, or any beer keg  
2 offered for sale.

3 ~~[(f)]~~ (h) The scrap dealer shall also require the seller  
4 to verify the seller's identity by presenting a valid photo  
5 identification card or license issued by a federal or state  
6 government agency authorized to issue valid identification. If  
7 the scrap being offered for sale is copper, copper wiring, a  
8 catalytic converter, catalytic converter metals, or a beer keg,  
9 in whole or in part, the scrap dealer shall:

- 10 (1) Take a photograph of the seller; or  
11 (2) Make a photocopy of the identification card or license  
12 of the seller.

13 The scrap dealer shall also make a photocopy of any license  
14 required under subsection (b) or (c).

15 ~~[(g)]~~ (i) The scrap dealer shall keep at the dealer's  
16 place of business a copy of any license required under  
17 subsection (b) or (c), the signed written statement, the receipt  
18 or notarized declaration required by subsections ~~[(b)]~~ (d) and  
19 ~~[(e)]~~ (e), the photographs required by subsection ~~[(e)]~~ (g),  
20 and the photocopy of the identification card or license and  
21 photograph of the seller required by subsection ~~[(f)]~~ (h), if  
22 applicable, from the seller for a period of two years after the



1 date of purchase and a copy of any licensed required subsection  
2 (b) or (c), the statement, the receipt or notarized declaration  
3 required by subsections [~~(b)~~] (d) and [~~(e)~~] (e), the  
4 photographs required by subsection [~~(e)~~] (g), and the photocopy  
5 and photograph required by subsection [~~(f)~~] (h), if applicable,  
6 may be examined at any time by the treasurer, the chief of  
7 police, the attorney general, the prosecuting attorney, or their  
8 designees.

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

16 SECTION 3. Section 445-233.5, Hawaii Revised Statutes, is  
17 amended by amending the title and subsection (a) to read as  
18 follows:

19 "~~[+]§445-233.5[+]~~ **Payment [~~e~~] for copper, copper wiring,**  
20 **catalytic converters, or catalytic converter metals purchased by**  
21 **scrap dealer or recycler; check; mailing.** (a) If the scrap  
22 dealer or recycler, as applicable, purchases any copper, copper



1 wiring, a catalytic converter, or catalytic converter metals,  
 2 payment [~~for the copper~~] shall be made by check payable to the  
 3 seller. At the time of sale [~~of the copper~~], the seller shall  
 4 present to the scrap dealer or recycler a valid photo  
 5 identification card or license of the seller issued by a federal  
 6 or state government agency authorized to issue valid  
 7 identification. The check may be mailed to the address shown on  
 8 the identification, or the scrap dealer or recycler may arrange  
 9 for the check to be picked up personally by the seller at the  
 10 place of business of the scrap dealer or recycler[-] no earlier  
 11 than ten business days following the purchase."

12 SECTION 4. Statutory material to be repealed is bracketed  
 13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

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# S.B. NO. 28

**Report Title:**

Copper Theft; Catalytic Converter Theft; Payment to Scrap Dealer

**Description:**

Restricts the sale of copper wiring by scrap dealers and recyclers solely to licensed electrical contractors. Also restricts the sale of catalytic converters or catalytic converter metals solely from persons licensed under chapter 289 or chapter 437B. Requires scrap dealers and recyclers purchasing copper, copper wiring, catalytic converters, or catalytic converter metals to wait ten business days before allowing the seller to pick up the check for payment at the scrap dealer or recycler's place of business.

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