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REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE

SECTIONAL ANALYSIS

COMMITTEE SUBSTITUTE for HOUSE BILL 305 (FIN): *“An Act relating to the records of metal scrappers; relating to the crime of criminal mischief for removing metal from property; repealing the requirement that a junk dealer or metal scrapper obtain a license; and providing for an effective date.”*

Section 1

Establishes new recordkeeping requirements for the sale of scrap metal. The list was developed by a working group of contractors, utilities and scrap metal dealers following a review of other states' laws. The main purpose of this section is to provide a deterrent and equip law enforcement with additional tools to pursue metal theft in a manner which is not overly burdensome to business.

AS 08.60.200 requires each in-person sale of scrap metal of \$100 or more to obtain basic information about the sale, seller, and materials being sold. The list includes:

- (1) The date, time, location, and value of the scrap metal purchased.
- (2) The name of the dealer's employee handling the transaction.
- (3) The name, address, and telephone number of the person selling the scrap metal.
- (4) A description of the vehicle, include license plate number.
- (5) Seller's driver's license number or other photo identification.
- (6) The business license number, if the seller is a business.
- (7) A description, including weight and quantity of the scrap metal.
- (8) Attestment the metal isn't stolen property.

AS 08.60.210 establishes the specific requirement for the signed statement. Under this section, the seller is required to sign a statement for sales of \$100 or more indicating that the scrap metal is not stolen property.

AS 08.60.220 requires the seller to make the records indicated above available for inspection by law enforcement.

AS 08.60.230 requires scrap metal dealers to maintain the records indicated above for five years following the date of the transaction.

AS 08.60.240 provides an exemption from the record requirements under AS 08.60.200 and AS 08.60.210 if a scrap metal dealer's transaction is with an individual who has previously established a business relationship. Specifically, the seller would need to maintain on file with the dealer their name, address, telephone number and a taxpayer identification number or other government issued photo identification. The purpose of this section is to streamline the process for individuals who are frequent customers of scrap metal dealers by considering the information on file as sufficient to satisfy the recordkeeping requirements in AS 08.60.200 and AS 08.60.210 of this Act.

AS 08.60.250 establishes a criminal penalty for anyone failing to comply or making false entries for records required in this Act.

AS 08.60.290 establishes new definitions, including the definition of scrap metal.

Section 2

Section 2 amends the crime of criminal mischief in the third degree to add a provision related to the theft of metal. An individual could be charged with a class C felony for removing metal from a property causing damages in the amount of \$500 or more.

Section 3

Section 3 of the bill repeals AS 08.60.010, requiring an annual license of junk dealers and metal scrappers. This statute has been on the books since before statehood and Department of Revenue has indicated they have not been able to identify any licenses issues under this section in over 20 years. The statute was discovered during research of how to implement the requirements in this act. AS 08.60.010 serves no public purpose.

Section 4

Clarifies that the criminal penalty in section 3 of the bill applies to crimes occurring on or after the effective date of the Act.

Section 5

Establishes a January 1, 2015 effective date.