

HOUSE FINANCE COMMITTEE
March 20, 2014
1:36 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

None

SUMMARY

HB 305 JUNK DEALER & METAL SCRAPPER LICENSING

CSHB 305(FIN) was REPORTED out of committee with "no recommendation" and with one new zero fiscal note from the Department of Revenue and one new zero fiscal note from the Department of Corrections.

#hb305

HOUSE BILL NO. 305

"An Act repealing the requirement that a junk dealer or metal scrapper obtain a license."

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Co-Chair Stoltze discussed that a CS for HB 305 had been adopted in a previous meeting.

Representative Holmes MOVED to ADOPT Amendment 1:

Page 1, lines 1 - 2:

Delete "relating to the crime of criminal mischief for removing metal from property;"

Page 3, line 17, through page 4, line 6:

Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 8-11:

Delete all material.

Renumber the following bill section accordingly.

Co-Chair Stoltze OBJECTED for discussion.

Representative Holmes explained the amendment. She referred to prior discussion related to new criminal language included in the legislation; the bill devised a new way to charge criminal mischief in the third degree specific to damaging property and metal theft. She noted that some concern had been voiced by the Department of Law (DOL) related to the language. She had consulted with DOL and with Sergeant Pickerel at the Anchorage Police Department (APD). Both entities had assured her that the items were currently felonies and were charged as theft and criminal mischief in the third degree; therefore, the related bill section was unnecessary. Her office had checked with utilities representatives, associated general contractors, and scrap dealers; all parties agreed that the criminal language was not needed. The amendment would delete the criminal language and changed the bill title accordingly.

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Co-Chair Stoltze asked about the bill sponsor's desire related to Amendment 1. Representative Holmes relayed that she had checked with the sponsor's office.

Co-Chair Stoltze regarded the sponsor's nodding as approval.

Representative Holmes relayed that the sponsor considered the proposed change to be a friendly amendment.

Co-Chair Stoltze clarified that DOL and APD had made the amendment suggestion. Representative Holmes responded that the section had intended to help prosecute crimes. Sergeant Pickernel worked closely on the types of crime listed in the legislation. Her office had contacted the Anchorage chief of police office and the mayor's office.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 1 was ADOPTED.

Co-Chair Stoltze discussed that the fiscal note would need to be adjusted, but that it would remain a zero note.

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Vice-Chair Neuman pointed to page 2, and read from Section 7 of the bill:

(7) a description, including weight and quantity, of the scrap metal purchased by the dealer; the scrap metal dealer shall determine the weight by using a scale that complies with the state standards of weight and measure established under AS 47.75;

Vice-Chair Neuman assumed that the section would require Department of Transportation and Public Facilities to verify that all scales are accurate.

Co-Chair Stoltze assumed weights and measures was currently located within DOT.

Vice-Chair Neuman expressed intent to work with the sponsor to clarify several issues in the bill. He addressed page 3, Section 8 pertaining to definitions. He spoke to the inclusion of catalytic converter materials and surmised that cars could fall under the description of junk metal. He discussed that hauling old cars as a service to the community would require them to be weighed and for transaction records to be kept for five years. He recalled visiting a scrap metal dealer in Dutch Harbor the prior year; the family run business required significant work and brought in small financial return. He thought the records requirements were burdensome for some small businesses. He

understood and agreed with the bill's intent to thwart theft. However, he had other issues with the bill that he intended to continue to discuss with the sponsor.

Co-Chair Stoltze understood Vice-Chair Neuman's point.

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Representative Edgmon discussed that the City of Unalaska had an ordinance to clean up scrap and junk material; a year-round barge service allowed the community to ship the materials out in bulk. He noted that the business mentioned by Vice-Chair Neuman had done significant work. He wondered if the bill's transaction requirements mentioned by Vice-Chair Neuman would only apply to commercial transactions and not to junked car or non-commercial transactions.

Co-Chair Stoltze noted that the bill referred to dealers and people selling the scrap metal.

Representative Holmes was sensitive to concerns raised by Vice-Chair Neuman; however, the bill did not require records unless sales totaled \$100 or more. She believed that the scrapping of items for a small or zero sum was exempt from the legislation.

Representative Thompson spoke to the legislature's ability to locate a problem and overdo the solution. He opined that the five-year record keeping was cumbersome to small businesses. He wondered how large the problem was; he pointed to backup material in members' packets showing many cases where criminals had been caught. He supported the bill, but he wished it had remained a one-line repealer. He believed it went too far.

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Representative Costello MOVED to REPORT CSHB 305(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, CSHB 305(FIN) was REPORTED out of committee with "no recommendation" and with one new zero fiscal note from the Department of Revenue and one new zero fiscal note from the Department of Corrections.

Co-Chair Stoltze the schedule for the following day.

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ADJOURNMENT

1:48:52 PM

The meeting was adjourned at 1:48 p.m.