

HB 4140 -1 STAFF MEASURE SUMMARY

House Committee On Judiciary

Prepared By: Tisha Pascone, LPRO Analyst

Meeting Dates: 2/11, 2/16

WHAT THE MEASURE DOES:

The measure establishes a scrap metal registration program to be administered by the Department of Justice and requires scrap metal sellers to register with the department and pass a criminal background check. It requires scrap metal sellers to subscribe to and use a free scrap metal theft alert system to be identified by department rules. The measure also creates a Class A misdemeanor for unregistered selling or trading nonferrous metal property or commercial metal property, with specified exceptions.

Detailed summary

Scrap Metal Seller Registration System

- Permits the department to assess fee of not more than \$500 per individual for the purpose of administering the registration program, and appropriates amounts collected to the department for administration
- Makes registrations valid for one year, renewable annually
- Directs the department to adopt rules necessary for administering the registration program
- Requires the department to register eligible individuals within 30 days of application submission, and to maintain a publicly searchable electronic database of registrations
- Renders sellers ineligible for scrap metal seller registration if convicted of a felony in the previous five years, or burglary, robbery or theft
- Allows the department to refuse, suspend, or revoke a registration for violation of the program rules
- Requires a scrap metal purchaser to obtain a photocopy of a scrap metal seller's registration or exemption

Exclusions to Registration Requirements

- Exempts sales or trades under an unspecified amount per transaction and per 90-day period
- Excludes certified refrigerant handlers, persons excluded from existing metal offenses laws, licensed electricians and energy contractors, licensed journeyman plumbers and other licensed professionals that deliver metal property to a scrap metal business as part of the person's services

Other Provisions

- Allows but does not require law enforcement agencies to register for and report thefts of metal property to the scrap metal theft alert system
- Prohibits a scrap metal business from transactions while out of compliance with scrap metal alert system requirements
- Replaces telecommunications carriers with telecommunication providers in criminal mischief law

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment removes provisions establishing a scrap metal seller registration system and related crime for unregistered selling or trading. It also removes the frequency specification for scrap metal businesses' download of scrap metal alerts. It adds telecommunication provider equipment and metallic wires with insulation removed to commercial metal property definition, and limits building and construction materials included in definition to

those that are unused or undamaged.

BACKGROUND:

It is a Class A misdemeanor to commit the offense of unlawfully altering metal property, make a false statement on a metal property record, or unlawfully purchase or receive metal property. ORS 165.118. "Nonferrous metals" include the more valuable metals such as copper, aluminum, brass, lead, zinc, and nickel, but exclude most jewelry. ORS 165.116(9). "Commercial metal property" includes fabricated items of parts made of metal alloys used in specified ways, such as utility meters, streetlights, guardrails, and agricultural, forestry, or logging equipment. ORS 165.116(2).

Felons convicted of certain property crimes within the last five years may not sell nonferrous metal to scrap dealers. Payment for nonferrous metal purchases must be delayed by three business days, to give theft victims and law enforcement some time to get the word out to the scrap community about stolen material. Scrap dealers must keep extensive records on every customer and transaction. ORS 165. 117. In 2021, Senate Bill 803 created specific restrictions on the purchase of catalytic converters and termed them "private metal property." ORS 165.116(11).