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HOUSE BILL NO. 2050

Offered January 12, 2011

Prefiled January 11, 2011

A *BILL to amend and reenact § 59.1-136.3 of the Code of Virginia, relating to purchases by scrap metal processors.*

Patrons—Carrico, BaCote and Lewis

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 59.1-136.3 of the Code of Virginia is amended and reenacted as follows:

§ 59.1-136.3. Purchases of nonferrous scrap, metal articles, and proprietary articles.

A. Except as provided in § 59.1-136.4, scrap metal processors may purchase nonferrous scrap, metal articles, and proprietary articles from any person who is not an authorized scrap seller or the authorized agent and employee of an authorized scrap seller only in accordance with the following requirements and procedures:

1. At the time of sale, the seller of any nonferrous scrap, metal article, or proprietary article shall provide a driver's license or other government-issued current photographic identification including the seller's full name, current address, date of birth, and social security or other recognized identification number; and

2. The scrap metal processor shall record the seller's identification information, as well as the time and date of the transaction, the license number of the seller's vehicle, and a description of the items received from the seller, *and make and retain a photograph of the items received from the seller*, in a permanent ledger maintained at the scrap metal processor's place of business. The ledger shall be made available upon request to any law-enforcement official, conservator of the peace, or special conservator of the peace appointed pursuant to § 19.2-13, in the performance of his duties who presents his credentials at the scrap metal processor's normal business location during regular business hours. Records required by this subdivision shall be maintained by the scrap metal dealer at its normal place of business or at another readily accessible and secure location for at least five years;

3. *The scrap metal processor shall withhold payment for any sale of nonferrous scrap, metal article, or proprietary articles by a person, other than an authorized scrap metal seller or the authorized agent or employee of an authorized scrap metal seller, for five business days following the date of delivery thereof by such person to the scrap metal processor; and*

4. *The scrap metal processor shall not pay cash to the seller of nonferrous scrap, metal article, or proprietary articles if the cost of the items exceeds \$100, unless the seller is an authorized scrap metal seller or the authorized agent or employee of an authorized scrap metal seller.*

B. Upon compliance with the other requirements of this section and § 59.1-136.4, a scrap metal processor may purchase proprietary articles from a person who is not an authorized scrap seller or the authorized agent and employee of an authorized scrap seller if the scrap metal processor complies with one of the following:

1. The scrap metal processor receives from the person seeking to sell the proprietary articles documentation, such as a bill of sale, receipt, letter of authorization or similar evidence, establishing that the person lawfully possesses the proprietary articles to be sold; or

2. The scrap metal processor shall document a diligent inquiry into whether the person selling or delivering the same has a legal right to do so, and, after purchasing a proprietary article from a person without obtaining the documentation described in subdivision 1, shall submit a report to the local police or sheriff's department, by the close of the following business day, describing the proprietary article and including a copy of the seller's identifying information, and hold the proprietary article for not less than 15 days following purchase.

C. Scrap metal processors may purchase nonferrous scrap, metal articles, and proprietary articles directly from an authorized scrap seller and from the authorized agent or employee of an authorized scrap seller.

INTRODUCED

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