

State of Arizona  
House of Representatives  
Fifty-first Legislature  
First Regular Session  
2013

**CHAPTER 137**  
**HOUSE BILL 2262**

AN ACT

AMENDING SECTION 44-1641, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 44-1641.01, 44-1641.02, 44-1641.03, 44-1641.04 AND 44-1641.05; AMENDING SECTIONS 44-1642, 44-1642.01 AND 44-1644, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 11, ARTICLE 3.1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 44-1648 AND 44-1649; PROVIDING FOR THE DELAYED REPEAL OF SECTION 44-1649, ARIZONA REVISED STATUTES, AS ADDED BY THIS ACT; RELATING TO SCRAP METAL DEALERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 44-1641, Arizona Revised Statutes, is amended to  
3 read:

4 44-1641. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Business records" means records of any purchase, trade, barter or  
7 other transaction that involves the receipt of scrap metals and that is made  
8 in the ordinary course of business at or near the time of the purchase,  
9 trade, barter or transaction including receipts, books or similar records as  
10 prescribed by section 44-1642, but does not include correspondence, tax  
11 returns or financial statements.

12 2. "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC SAFETY.

13 ~~2-~~ 3. "Ferrous metals" means those metals ~~which~~ THAT will attract a  
14 magnet.

15 ~~3-~~ 4. "Industrial account" means a person or business entity that  
16 files or is required to file monthly returns for that person's or entity's  
17 transaction privilege tax licenses or a governmental entity that sells scrap  
18 metal to a scrap metal dealer.

19 ~~4. "Nonferrous metals" means those metals which will not normally~~  
20 ~~attract a magnet including copper, brass and aluminum.~~

21 5. "Scrap metal dealers" means each person or business entity  
22 including all employees of the person or business entity, except automotive  
23 recyclers as defined and licensed pursuant to title 28, chapter 10, and whose  
24 primary business is the dismantling, selling or disposing of parts or  
25 accessories of motor vehicles engaged in the business of purchasing, trading,  
26 bartering or otherwise receiving secondhand or castoff material of any  
27 kind, ~~except used beverage containers~~, which is commonly known as scrap  
28 metal.

29 6. "Scrap metals" includes insulated and uninsulated metallic cables.

30 Sec. 2. Title 44, chapter 11, article 3.1, Arizona Revised Statutes,  
31 is amended by adding sections 44-1641.01, 44-1641.02, 44-1641.03, 44-1641.04  
32 and 44-1641.05, to read:

33 44-1641.01. Scrap metal dealer report

34 THE DEPARTMENT SHALL SUBMIT A REPORT EVERY TWO YEARS TO THE PRESIDENT  
35 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ABOUT SCRAP  
36 METAL DEALERS. THE REPORT SHALL IDENTIFY THE SCRAP METAL DEALERS REGISTERED  
37 IN THIS STATE.

38 44-1641.02. Law enforcement; theft notification website

39 ALL LAW ENFORCEMENT IN THIS STATE SHALL BE REGISTERED ON A FREE THEFT  
40 NOTIFICATION WEBSITE THAT ALLOWS LAW ENFORCEMENT TO SEND DETAILED  
41 DESCRIPTIONS OF STOLEN ITEMS TO RECYCLING OPERATIONS AND OTHER LAW  
42 ENFORCEMENT WITHIN AT LEAST A ONE HUNDRED MILE RADIUS OF A THEFT. THE  
43 WEBSITE MUST ALLOW SCRAP METAL DEALERS TO ALERT LAW ENFORCEMENT WHEN THE  
44 DEALERS ARE OFFERED SUSPICIOUS MATERIALS.

1           44-1641.03. Registration; application

2           A. A PERSON MUST REGISTER PURSUANT TO THIS ARTICLE TO CONDUCT BUSINESS  
3 AS A SCRAP METAL DEALER IN THIS STATE.

4           B. A PERSON SHALL SUBMIT INFORMATION FOR REGISTRATION TO THE  
5 DEPARTMENT IN A FORM PRESCRIBED BY THE DEPARTMENT. THE INFORMATION SHALL  
6 INCLUDE ALL OF THE FOLLOWING:

7           1. THE NAME AND ADDRESS OF THE SCRAP METAL DEALER.

8           2. THE NAME OF EACH PERSON WHO OWNS AT LEAST TEN PER CENT OF A SCRAP  
9 METAL DEALER BUSINESS.

10          3. FULL PERSONAL IDENTIFICATION INFORMATION ON EACH OWNER OF A SCRAP  
11 METAL DEALER BUSINESS INCLUDING A COPY OF EACH OWNER'S DRIVER LICENSE.

12          4. THE LOCATION OF EACH PRINCIPAL OFFICE AND BRANCH OFFICE AT WHICH  
13 THE SCRAP METAL DEALER WILL CONDUCT BUSINESS IN THIS STATE.

14          5. THE NAME AND ADDRESS OF ANY WHOLLY-OWNED SUBSIDIARY OF THE SCRAP  
15 METAL DEALER.

16          C. A REGISTERED SCRAP METAL DEALER DOES NOT NEED TO SEPARATELY  
17 REGISTER EITHER OF THE FOLLOWING:

18          1. ANY OF ITS BRANCH OFFICES.

19          2. A WHOLLY-OWNED SUBSIDIARY OF THE REGISTRANT.

20           44-1641.04. Registration; fees

21          A. A SCRAP METAL DEALER MUST PROVIDE THE INFORMATION PRESCRIBED BY  
22 SECTION 44-1641.03 TO THE DEPARTMENT EVERY TWO YEARS.

23          B. THE DEPARTMENT SHALL CHARGE AND COLLECT FEES AS DETERMINED BY THE  
24 DIRECTOR. IT IS THE INTENT OF THE LEGISLATURE THAT FEES CHARGED AND  
25 COLLECTED BY THE DEPARTMENT SHALL BE TO COVER THE COSTS OF REGISTERING THE  
26 SCRAP METAL DEALERS PURSUANT TO SECTION 44-1641.03 AND THIS SECTION.

27           44-1641.05. Items required to be maintained at place of  
28 business; city or county ability to recover  
29 costs; violation; civil penalty

30          A. A REGISTERED SCRAP METAL DEALER MUST KEEP THE FOLLOWING AT EACH  
31 PLACE OF BUSINESS:

32          1. PROOF OF REGISTRATION THAT IS ISSUED BY THE DEPARTMENT.

33          2. A STATEMENT INDICATING THAT THE APPLICANT HAS REGISTERED ON A FREE  
34 THEFT NOTIFICATION WEBSITE THAT ALLOWS LAW ENFORCEMENT TO SEND DETAILED  
35 DESCRIPTIONS OF STOLEN ITEMS TO RECYCLING OPERATIONS AND OTHER LAW  
36 ENFORCEMENT WITHIN AT LEAST A ONE HUNDRED MILE RADIUS OF A THEFT. THE  
37 WEBSITE MUST ALLOW SCRAP METAL DEALERS TO ALERT LAW ENFORCEMENT WHEN THE  
38 DEALERS ARE OFFERED SUSPICIOUS MATERIALS.

39          3. AN AFFIDAVIT SIGNED BY THE APPLICANT THAT STATES THAT THE PERSON IS  
40 IN COMPLIANCE WITH THIS ARTICLE.

41          4. A QUESTIONNAIRE THAT THE SCRAP METAL DEALER MUST PREPARE EVERY TWO  
42 YEARS TO SHOW COMPLIANCE WITH THIS ARTICLE.

43          B. THE SCRAP METAL DEALER MUST MAINTAIN AND MAKE AVAILABLE THE ITEMS  
44 PRESCRIBED BY SUBSECTION A OF THIS SECTION FOR INSPECTION BY LAW ENFORCEMENT.  
45 IF AFTER INSPECTION LAW ENFORCEMENT DETERMINES THAT THE SCRAP METAL DEALER IS  
46 IN VIOLATION OF THIS SECTION, LAW ENFORCEMENT MUST SUBMIT A NOTICE OF

1 VIOLATION TO THE SCRAP METAL DEALER. LAW ENFORCEMENT SHALL REINSPECT THE  
2 SCRAP METAL DEALER'S PLACE OF BUSINESS NO EARLIER THAN FIFTEEN DAYS AFTER THE  
3 SCRAP METAL DEALER RECEIVES THE NOTICE OF VIOLATION.

4 C. IF A PERSON VIOLATES THIS SECTION, THE PERSON IS SUBJECT TO THE  
5 FOLLOWING:

6 1. FOR A FIRST VIOLATION, A CIVIL PENALTY OF FIVE HUNDRED DOLLARS,  
7 EXCEPT THAT THE PERSON IS NOT SUBJECT TO A CIVIL PENALTY IF THE PERSON  
8 CORRECTS THE VIOLATION WITHIN FIFTEEN DAYS AFTER RECEIVING THE NOTICE  
9 PURSUANT TO SUBSECTION B OF THIS SECTION.

10 2. FOR A SECOND OR SUBSEQUENT VIOLATION, A CIVIL PENALTY OF ONE  
11 THOUSAND DOLLARS AND A LICENSING JURISDICTION SHALL SUSPEND OR REVOKE THE  
12 PERSON'S BUSINESS LICENSE OR, IF A BUSINESS LICENSE IS NOT REQUIRED TO  
13 OPERATE A BUSINESS, THE JURISDICTION SHALL ORDER THE SUSPENSION OR PERMANENT  
14 CESSATION OF THE PERSON'S BUSINESS OPERATIONS.

15 3. ANY COSTS ASSOCIATED WITH THE ENFORCEMENT OF THIS ARTICLE AS  
16 DETERMINED BY A CITY OR COUNTY.

17 D. FAILURE TO COMPLY WITH THIS SECTION MAY RESULT IN THE IMMEDIATE  
18 SUSPENSION OF ALL SCRAP METAL TRANSACTIONS UNLESS ONE OF THE FOLLOWING  
19 APPLIES TO THE BUSINESS:

20 1. THE BUSINESS HAS BEEN PREVIOUSLY REGISTERED AS A SCRAP METAL  
21 RECYCLER.

22 2. THE BUSINESS HAS A LOCAL BUSINESS LICENSE.

23 Sec. 3. Section 44-1642, Arizona Revised Statutes, is amended to read:

24 44-1642. Records of purchase; transaction limitations; age  
25 requirement for scrap metal seller; exception

26 A. Every scrap metal dealer shall keep on the business premises a book  
27 or other similar record legibly printed or written in ink, in the English  
28 language of each transaction ~~exceeding twenty five dollars~~ involving the  
29 receipt of scrap metal. The record of each receipt of scrap metal shall  
30 include the following information:

31 1. The date, time and place of the transaction.

32 2. A photograph and an identifying description and weight of the  
33 specific scrap metal received.

34 3. The dollar amount of the transaction.

35 4. EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, the seller's name,  
36 physical description including gender, height, weight, race and eye and hair  
37 color, physical address, date of birth, ~~—~~ AND signature and a photocopy of a  
38 current driver license, nonoperating identification license issued pursuant  
39 to section 28-3165 or photo identification card issued by a tribal government  
40 or the United States military. The scrap metal dealer must validate the  
41 recorded information by using the seller's current driver license,  
42 nonoperating identification license issued pursuant to section 28-3165 or  
43 photo identification card issued by a tribal government or the United States  
44 military. THIS PARAGRAPH DOES NOT APPLY TO A SELLER WHO IS EXCLUSIVELY  
45 SELLING ALUMINUM BEVERAGE CONTAINERS.

46 5. The seller's transaction privilege tax number, if applicable.

1           6. The number and state of issuance of the license on the vehicle used  
2 to deliver the scrap metal.

3           7. A photograph, video record or digital record of the seller involved  
4 in the transaction.

5           8. A right index fingerprint of the seller.

6           B. The record and entries shall be retained in a book or similar  
7 record at the business premises for one year after making the final entry of  
8 any transaction and shall be retained either at the business premises or any  
9 other reasonably available location for an additional year. ~~A scrap metal  
10 dealer shall not purchase materials for which a record is required to be kept  
11 by this section in a series of purchases under twenty-five dollars to avoid  
12 the requirements of this section.~~

13 A scrap metal dealer's business premises,  
14 business records relating to scrap metal transactions, including a book or  
15 similar record prescribed by this section, and business inventory shall be  
16 open during regular business hours for reasonable inspection by a peace  
17 officer. Before an inspection shall take place a peace officer shall first  
18 identify himself and the purpose for the inspection to the scrap metal  
19 dealer, dealer's manager or other responsible person and comply with all  
20 reasonable and customary safety requirements of that scrap metal dealer for  
21 the business premises inspected. The scrap metal dealer may require the  
22 peace officer to sign an inspection log that includes the officer's name and  
23 serial or badge number and the time, the date and the purpose for the  
24 inspection.

25           C. A scrap metal dealer shall not provide payment for any scrap metal  
26 on site at the time of the scrap metal transaction. Payment shall be made by  
27 mailing a check or money order to a physical address provided by the seller  
28 through a current driver license or other identification prescribed in  
29 subsection A, paragraph 4 of this section. The check or money order shall be  
30 made payable to the business name for an industrial account. This  
31 subsection:

32           1. Except as provided in paragraphs 2, ~~and~~ 3 AND 4 of this subsection,  
33 only applies to industrial accounts, copper and aluminum wire with a diameter  
34 of at least three-eighths of an inch.

35           2. Except as provided in paragraph 3 OR 4 of this subsection, applies  
36 to all scrap metal transactions of three hundred dollars or more.

37           3. Does not apply to industrial accounts if the industrial accounts  
38 annually preregister employees who are authorized sellers on behalf of the  
39 industrial accounts.

40           4. APPLIES TO ALL TRANSACTIONS INVOLVING AIR CONDITIONER COOLING  
41 COILS, INCLUDING INDUSTRIAL ACCOUNTS.

42           D. A scrap metal dealer shall provide a receipt to the seller on site  
43 at the time of the scrap metal transaction, for every transaction, and shall  
44 include the following information:

45           1. The date, time and place of the transaction.

46           2. An identifying description and weight of the specific scrap metal  
received.

1           3. The dollar amount of the transaction.

2           E. A scrap metal seller may not conduct a series of transactions for  
3 one vehicle load of scrap metal to avoid the requirements of this section.

4           F. A scrap metal seller shall not participate in more than one cash  
5 transaction per day for scrap metal.

6           G. A scrap metal seller shall be at least sixteen years ~~old~~ OF AGE.

7           ~~H. This section does not apply to transactions involving used aluminum  
8 beverage containers or materials consisting of a metal product in its  
9 original manufactured form that is comprised of no more than twenty per cent  
10 by weight nonferrous metal.~~

11          Sec. 4. Section 44-1642.01, Arizona Revised Statutes, is amended to  
12 read:

13          44-1642.01. Prohibited scrap metal transactions; exceptions;  
14 violation; classification

15          A. A scrap metal dealer shall not knowingly purchase the following  
16 types of scrap metal ~~in its original manufactured form~~:

17           1. Metal manhole covers that are used to cover street or alley service  
18 personnel access entrances to municipal sewers and storm drains.

19           2. Brass or bronze valves or fittings that are commonly used on  
20 structures for access to water for the purpose of extinguishing fires.

21           3. Brass or bronze commercial potable water backflow preventer valves  
22 that are valves commonly used to prevent backflow of potable water into  
23 municipal domestic water service systems from commercial structures.

24           4. Water meters that are used for measurement of the use and  
25 consumption of domestic water.

26           5. Aluminum trench shoring that is commonly used for shoring below  
27 ground trenches and excavations for the construction of buildings and  
28 structures.

29           6. Aluminum loading ramps that are manufactured and used for loading  
30 motor vehicles for hauling the motor vehicles.

31           7. Aluminum or stainless steel beer or malt beverage kegs that are  
32 commonly used by brewers or producers for the sale and transportation of beer  
33 or malt beverages.

34           8. Catalytic converters. For the purposes of this paragraph,  
35 "catalytic converters" means motor vehicle exhaust system parts that are used  
36 for controlling the exhaust emissions from motor vehicles and that contain a  
37 catalyst metal.

38          B. This section does not apply to or prohibit the purchase or  
39 possession of the types of items listed in subsection A and that are acquired  
40 in transactions with industrial accounts, with other scrap metal dealers or  
41 after the scrap metal is authorized for release by a peace officer of that  
42 jurisdiction.

43          C. A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A CLASS 1  
44 MISDEMEANOR.

45          Sec. 5. Section 44-1644, Arizona Revised Statutes, is amended to read:

46          44-1644. Report; exemption; violation; classification

1           A. Within twenty-four hours of receipt of scrap metals, except from an  
2 industrial account or a scrap metal dealer, for which a record is required to  
3 be kept by section 44-1642, a scrap metal dealer shall electronically submit  
4 to the department ~~of public safety~~ a record of the receipt of the scrap  
5 metals. The record shall include the following information:

6           1. The date, time and place of the receipt of the scrap metal.

7           2. An identifying description of the specific scrap metal received  
8 including the weight and amount of the transaction or other consideration  
9 given.

10          3. A description of the person delivering the metal to the scrap metal  
11 dealer including the person's gender, height, weight, race and hair and eye  
12 color, address and date of birth and a photocopy of a current driver license,  
13 nonoperating identification license issued pursuant to section 28-3165 or  
14 photo identification card issued by a tribal government or the United States  
15 military.

16          4. The number and state of issuance of the license on the vehicle used  
17 to deliver the scrap metal.

18          B. The department ~~of public safety~~ shall establish by rule electronic  
19 submission standards. The submission standards shall allow the submission of  
20 the information in an electronic format that is compatible with the output  
21 format of not less than four of the record keeping software programs  
22 currently in use in the scrap metal industry in this state in a manner that  
23 will allow the information to be electronically merged with the ~~department of~~  
24 ~~public safety's~~ DEPARTMENT'S database. A scrap metal dealer that submits  
25 information to the department ~~of public safety~~ pursuant to this section shall  
26 not be required to submit the same information to a local law enforcement  
27 agency.

28          C. The department ~~of public safety~~ shall make the information  
29 submitted pursuant to this section available to local law enforcement  
30 agencies over the internet and shall provide for training and procedures to  
31 allow law enforcement personnel to access the information provided  
32 electronically for law enforcement purposes.

33          D. For copper, aluminum wire with a diameter of at least three-eighths  
34 of an inch and transactions with a value over one hundred dollars, a scrap  
35 metal dealer shall hold in its custody in the same size, shape and condition  
36 in which the scrap metal was received on its business premises any scrap  
37 metal received in a reportable transaction for seven days after filing the  
38 report prescribed by subsection A of this section.

39          E. Subsection D of this section does not apply to transactions with  
40 industrial accounts, other scrap metal dealers or purchases by scrap metal  
41 dealers of used aluminum beverage containers or ferrous ~~scrap~~ metals and of  
42 scrap metal authorized for release by a peace officer of that jurisdiction.

43          F. A person who fails to file a report prescribed by this section is  
44 guilty of a class 1 misdemeanor.

45          Sec. 6. Title 44, chapter 11, article 3.1, Arizona Revised Statutes,  
46 is amended by adding sections 44-1648 and 44-1649, to read:

1       44-1648. Preemption: power of local authorities

2       A. THE STATE LEGISLATURE DETERMINES THAT THE REGISTRATION OF SCRAP  
3 METAL DEALERS IS A MATTER OF STATEWIDE CONCERN. THE POWER TO REGISTER SCRAP  
4 METAL DEALERS IS PREEMPTED BY THIS STATE.

5       B. THIS ARTICLE DOES NOT AFFECT A CITY, TOWN OR COUNTY'S POWER TO  
6 ENFORCE LAWS RELATING TO BUSINESS LICENSING.

7       44-1649. Joint legislative committee on metal theft

8       THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF  
9 REPRESENTATIVES FOR THE FIFTY-SIXTH LEGISLATURE, FIRST REGULAR SESSION MAY  
10 APPOINT A JOINT LEGISLATIVE COMMITTEE ON METAL THEFT THAT IS COMPOSED OF  
11 LEGISLATORS TO REVIEW THE EFFECTIVENESS OF THIS ARTICLE IN DETERRING CRIME  
12 AND THE COSTS OF COMPLIANCE TO INDUSTRIES AFFECTED BY THIS ARTICLE. THE  
13 COMMITTEE MAY REPORT ON ITS FINDINGS TO THE PRESIDENT OF THE SENATE AND THE  
14 SPEAKER OF THE HOUSE OF REPRESENTATIVES BY DECEMBER 1, 2023.

15       Sec. 7. Delayed repeal

16       Section 44-1649, Arizona Revised Statutes, as added by this act, is  
17 repealed from and after December 31, 2023.

APPROVED BY THE GOVERNOR APRIL 29, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2013.