



SB 1387 (Emmerson, R-Riverside) - Metal Theft
AB 1508 (Carter, D-Rialto) - Junk Dealers and
Recyclers: Nonferrous Materials

Communications and Legislation Committee

Item 8-6

April 10, 2012

Overview

- Current Metal Theft Laws
- Legislation Summaries
 - SB 1387
 - AB 1508
- Impacts
- Benefits
- Options
- Recommendation



Current Metal Recycling Laws

- All payments for metal scrap must be made by cash or check after 3-day wait period
- Exemptions from 3-day wait period :
 - Recyclers of beverage containers
 - Sellers who conduct five or more separate transactions per month with metal recycler
- All metal recyclers must keep records of the following:
 - Location and date of sale
 - Photograph, valid ID, proof of current address, and thumbprint of seller
 - Photograph and description of materials being recycled
- Fines of up to \$3,000 for receiving stolen fire hydrants and fittings

SB 1387 Summary

- Modifies language to Business and Professions, Civil, and Penal Codes
- Prohibits junk dealers or recyclers from possessing the following without written certification:
 - Fire hydrants, including connections, fittings or parts
 - Manhole covers or lids
 - Backflow devices or connections
- Certification requirements:
 - Letterhead of the agency or utility owner
 - Authorization of individual to negotiate sale

SB 1387 Amendment

- Bill amended on March 27, 2012
- Removed civil liability clause for illicit metal transactions
- Civil penalties portion moved into SB 1045
- Amendment not reflected in Board Letter

AB 1508 Summary

- Modifies language to Business and Professions Code
- Removes exemptions to 3-day wait period for cash and check payments
- Increases recordkeeping duties of metal recyclers
 - Name, physical address and business phone number of seller's business
 - Business license and tax ID numbers of seller's business
 - Copy of driver's license of person delivering materials on seller's behalf

Impacts

- Why has metal theft become a problem?
 - Increased raw material costs
 - Easy access
 - Weak regulations controlling the sale of metals
- Common targets:
 - Copper wire
 - Manhole covers
 - Fire hydrants
 - Backflow prevention devices
- Imposes cost burden on utilities
- Impacts on public safety

Benefits

- Both bills enhance protection against metal theft and serve to deter theft
- SB 1387 and AB 1508 provide Metropolitan and its member agencies an increased level of protection against metal theft



Board Options

- Option #1
 - Adopt the CEQA determination and express support for SB 1387 and AB 1508

- Option #2
 - Take no position on SB 1387 and AB 1508

Staff Recommendation

- Option #1