

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO COPPER RECYCLING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The price of copper has increased nearly seven  
2 hundred per cent over the past five years. As a result, copper  
3 theft has become a serious and rapidly growing crime. This new  
4 type of theft has devastating effects on the entire community,  
5 not just utility companies, businesses, and government agencies.  
6 It causes phone outages, power outages, and rising construction  
7 costs.

8           Theft of copper wiring from street lights and utility poles  
9 poses a major threat to public safety. Additionally, the cost  
10 of stolen copper is often only a small percentage of a victims'  
11 loss. Criminal copper scavengers can cost a homeowner up to  
12 \$40,000 or more in damage to their home for copper that will net  
13 the criminal approximately \$1,000.

14           The purpose of this Act is deter copper theft by  
15 establishing state-run copper recycling clearinghouses that will  
16 eradicate copper recycling as a quick, anonymous source of  
17 criminal income.



1 SECTION 2. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to title 26 to be appropriately designated  
3 and to read as follows:

4 "CHAPTER

5 COPPER RECYCLING CLEARINGHOUSE ACT

6 § -1 Short title. This chapter may be cited as the  
7 Copper Recycling Clearinghouse Act.

8 § -2 Definitions. As used in this chapter, unless the  
9 context requires otherwise:

10 "Copper" means any used, salvaged, or secondhand metal or  
11 wire that contains copper.

12 "Department" means the department of commerce and consumer  
13 affairs.

14 "Spot price" means the current dollar amount at which  
15 copper can be bought or sold at the specified time and place.

16 "Verified person" means a person who has presented valid  
17 identification and completed and signed the certifying statement  
18 pursuant to section -4(1).

19 § -3 Copper recycling clearinghouse; establishment. The  
20 department shall establish a copper recycling clearinghouse in  
21 each county for the purchase of copper. Each clearinghouse  
22 shall resell the purchased copper only to licensed recyclers or



1 scrap dealers. After initial establishment, copper  
2 clearinghouses shall be self-supporting.

3 § -4 Powers and duties; fee. Each copper recycling  
4 clearinghouse shall:

- 5 (1) Obtain a written statement signed by the seller or the  
6 seller's agent certifying that the seller or the  
7 seller's agent has the lawful right to sell and  
8 dispose of the copper. This statement shall also  
9 contain the seller's name; the seller's thumbprint;  
10 the seller's business or residence address; the  
11 seller's occupation; a description of the copper,  
12 including serial marks or other identifying marks; the  
13 weight and amount of copper being sold to the  
14 clearinghouse; the date, time, and place of the sale;  
15 and the license plate number of any vehicle being used  
16 to deliver the copper to the clearinghouse;
- 17 (2) Verify the identity of each seller by inspecting the  
18 seller's valid identification card or valid driver's  
19 license. The clearinghouse may establish its own  
20 identification cards for any business selling copper;
- 21 (3) Pay verified seller's the spot price of that grade or  
22 quality of copper less a five per cent handling fee to



- 1 pay for the cost of operating the copper recycling  
2 clearinghouses;
- 3 (4) Issue payments to sellers by check only, which shall  
4 be issued no later than thirty days after the sale of  
5 the copper. The check shall be made payable to the  
6 name on the identification shown at the time of the  
7 sale. Cash payments are prohibited; and
- 8 (5) Cooperate with the department of the attorney general  
9 and county and federal police departments in any  
10 allegation or investigation of stolen copper and  
11 provide all relevant information to law enforcement  
12 agencies to aid in the prosecution of copper theft  
13 cases.

14 **§ -5 Rules; commencement.** (a) The department may adopt  
15 rules pursuant to chapter 91 as may be necessary for the purpose  
16 of this chapter. Full implementation of copper recycling  
17 clearinghouses shall commence no later than January 1, 2008.

18 (b) Until copper recycling clearinghouses are established  
19 by the department, or by January 1, 2008, whichever occurs  
20 first, scrap dealers licensed pursuant to section 445-232 may  
21 purchase copper from verified persons or businesses and issue  
22 payments to those sellers by check only, which shall be issued



1 no later than thirty days after the sale of the copper. The  
2 check shall be made payable to the name on the identification  
3 shown at the time of the sale. Cash payments are prohibited.

4 **§ -6 Penalties.** (a) Any person who violates any  
5 provision of this chapter or any rule adopted pursuant to this  
6 chapter shall be fined not more than \$500 for each separate  
7 violation.

8 (b) Any person or business that purchases copper from or  
9 sells copper to anyone other than a copper recycling  
10 clearinghouse after December 31, 2007, shall be in violation of  
11 this chapter and shall be fined no more than \$5,000 for each  
12 separate violation."

13 SECTION 3. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ , or so  
15 much thereof as may be necessary for fiscal year 2007-2008, and  
16 the same sum, or so much thereof as may be necessary for fiscal  
17 year 2008-2009, for the establishment and operation of copper  
18 clearinghouses in each county.

19 SECTION 4. The sums appropriated shall be expended by the  
20 department of commerce and consumer affairs for the purposes of  
21 this Act.



1 SECTION 5. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:           *Randy H Baker*            
*By Request*



**Report Title:**

Copper Recycling Clearinghouse; Scrap Dealers

**Description:**

Establishes state-run copper recycling clearinghouses in each county to purchase used, secondhand, or salvaged copper. Makes appropriations.

