

Legislative Analysis



SCRAP METAL PAYMENTS

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<http://www.house.mi.gov/hfa>

Senate Bill 304 as passed by the Senate

Sponsor: Sen. Mike Kowall

House Committee: Judiciary

Senate Committee: Economic Development and International Investment

Complete to 5-18-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 304 would amend Section 6 of the Scrap Metal Regulatory Act (MCL 445.426) to modify which scrap metal items qualify for the \$25 per transaction or \$25 per day threshold that determines what method of payment a scrap metal dealer is allowed to use to pay a seller.

A scrap metal dealer that purchases one of the following items may only pay for those items by direct deposit or electronic transfer to the seller's account at a financial institution, a check or money order, or an electronic payment card or encrypted receipt:

- Catalytic converters from a seller other than an automotive recycler.
- Air conditioners, air conditioner evaporator coils or condensers, or parts of air conditioner evaporator coils or condensers.
- Copper wire, including copper wire that is burned in whole or in part to remove the insulation, copper pipe, or copper fittings.

Presently, Section 6(5) of the act states, in part, that if the purchase price in a purchase transaction described in subsection (1) [which contains the list of items] is \$25 or more, or if the purchase price for all of a seller's purchase transactions in a business day is \$25 or more, the scrap metal dealer must pay the seller by mailing one of the following to the seller at the address shown on the identification card that the seller has to present to the dealer before a transaction can be completed:

- A check or money order.
- An electronic payment card or encrypted receipt.
- A nontransferable receipt that the seller may redeem at the scrap dealer's premises for either a check or money order, or an electronic payment card or encrypted receipt.

Senate Bill 304 would revise this provision by adding language stating that the \$25-per-day purchase transaction threshold also only applies to the items listed above, and that only payment for those items need be mailed to the address if a single transaction or cumulative transactions over the course of a business day exceeds the \$25 threshold.

FISCAL IMPACT:

Senate Bill 304 would not have a significant fiscal impact.

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