## **Legislative Analysis**



## SCRAP METAL PAYMENTS

Phone: (517) 373-8080 http://www.house.mi.gov/hfa

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

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** 

## **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:

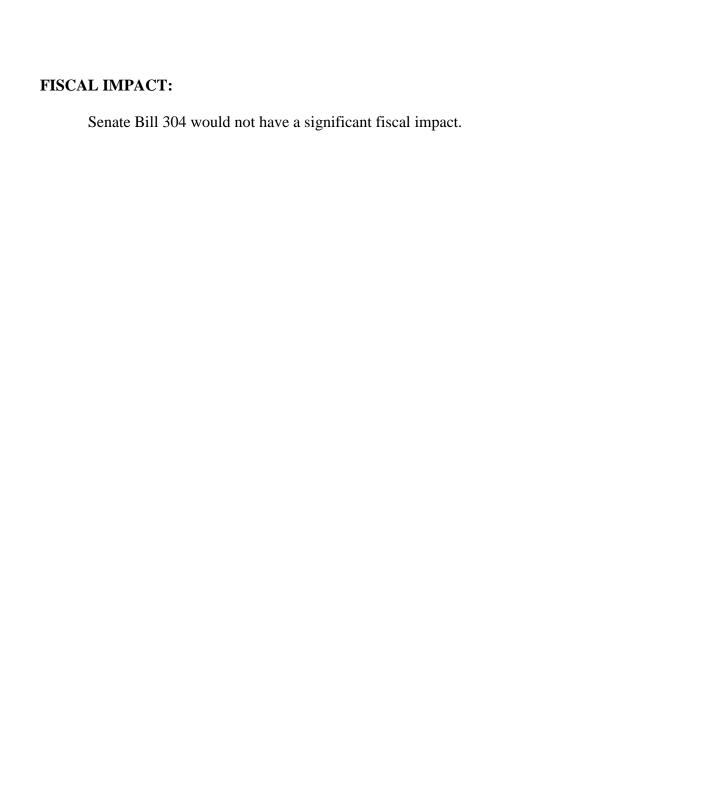
- o Catalytic converters from a seller other than an automotive recycler.
- o Air conditioners, air conditioner evaporator coils or condensers, or parts of air conditioner evaporator coils or condensers.
- Copper wire, including copper wire that is burned in whole or in part to remove the insulation,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

- o A check or money order.
- o 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.

<u>Senate Bill 304</u> 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.

House Fiscal Agency Page 1 of 2



Legislative Analyst: Josh Roesner Fiscal Analyst: Paul Holland

House Fiscal Agency SB 304 Page 2 of 2

<sup>■</sup> This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.