



Senate Fiscal Agency
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Senate Bill 304 (as introduced 4-29-15)
Sponsor: Senator Mike Kowall
Committee: Economic Development and Tourism

Date Completed: 5-4-15

CONTENT

The bill would amend the Scrap Metal Regulatory Act to specify that only transactions involving catalytic converters, air conditioners and parts, and copper wire and pipe would be subject to the requirement that payment be mailed to the seller, if all of the seller's purchases in a day totaled \$25 or more.

The Act restricts the manner in which a scrap metal dealer may pay a seller for the following items:

- Catalytic converters, unless the seller is an automotive recycler, a manufacturer or wholesaler of catalytic converters, or a muffler shop, tire store, or other retail business that sells converters separately or as part of an exhaust system.
- Air conditioners, air conditioner evaporator coils or condensers, or parts of those coils or condensers.
- Copper wire, including copper wire that was burned in whole or in part to remove the insulation, copper pipe, or copper fittings.

If the purchase price in a transaction involving any of those items totals \$25 or more, unless the seller is an industrial or commercial customer, the dealer must pay the seller by mailing one of the following items to the seller at the address shown on the seller's identification, and is prohibited from paying the seller in person or using any other form of delivery:

- 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.

This restriction also applies if the purchase price for all of a seller's purchase transactions in a business day is \$25 or more. Under the bill, the restriction would apply if all of a seller's transactions involving the items listed above, totaled \$25 or more in a business day.

In addition, in either case in which payment must be mailed, the requirement would apply only with respect to the catalytic converters, air conditioners and parts, and copper wire.

The bill would take effect 90 days after being signed into law.

MCL 445.426

Legislative Analyst: Ryan M. Bergan

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: John Maxwell