

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2301

2007 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2301

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2301**

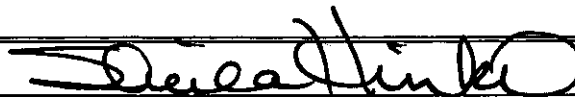
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 29, 2007**

Recorder Job Number: **2111**

Committee Clerk Signature



Minutes:

**Jeff White – Agent Chief Investigator - In Favor – Here with Information**

**Judy Lee – Sponsor - District 13 In Favor**

There has been a surge in the scrap metal theft. This bill deals with scrap metal purchases.

Metal is being stolen from construction sites. This will assist the Attorney General's office to put something in place for scrap metal records. It is a big issue with police.

**S Klein:** The intent is to register all scrap metal, not just copper.

**J Lee:** We are concerned about theft at construction sites.

*Judy said she would produce written testimony.*

**S Potter:** I understand this is a need, is there anything we can do?

**J Lee:** The Attorney General's office has set up a bill draft.

**S Heitkamp:** pages 2 & 3, Sect. 2, part #D. The Seller's name, do they have to have all personal information, doesn't this seem excessive?

**J Lee:** Most of this information is on the drivers' license. Refer to pawn shops; lots of pawn shops see stolen merchandise. [7:36m] Judy told her personal story about a ring that was recovered from a pawn shop, they didn't get it back. Need something to help solve the problem with stolen property, something needs to be done.

**S Heitkamp:** Did you get the ring back?

**J Lee:** No

**S Hacker:** Looking, you need name, signature and Drivers License #.

**J Lee:** 99% would work on the Drivers License

**Jeff White:** Many people do not have a Drivers License, so a military ID, or tribal ID would work, also license plate of the vehicle delivering the materials would be helpful.

**S Heitkamp:** In a scrap yard, there are 4 different piles of things. [11:00m example]

**J White:** It's a casual business, anything would be better.

**S Wanzek:** What about parts of machinery? If someone strange shows up, there should be requirements.

**J White:** We're not here in opposition or support. They may not know they're crooks.

**S Potter:** There are a number of scrap metal dealers that buy stolen metal. This will regulate EVERY scrap dealer.

**J White:** We don't know whose buying metal. This will help them obey the law.

**S Behm:** Yards get a lot of scrap metals.

**J White:** We don't want to restrict the business.

**S Behm:** It's not a big deal to get the vehicle license #. The rest isn't good.

**S Klein:** In Grand Forks, Porter Brothers use a camera and tapes the cranes, the piles and check, isn't that the case everywhere, we need to look for more information?

**J White:** Yes. We have some tapes, but they're too long to review.

**S Heitkamp:** Certain scrap dealers do certain things, you can only ask the people to help.

**J White:** We don't have the ability to check them unless we have a search warrant.

**S Heitkamp:** there is a problem in West Fargo. Items are stolen off abandoned farms.

**J White:** Question is when is abandoned VS stolen? You can't get into personal records.

**S Hacker:** Can we do date, name, license #, how can we make the bare minimum requirement. They're making money, but not in large amounts.

**J White:** We'd like to ask for a government issued ID and license plate number. Our laws are provided to catch dumb criminals.

**S Behm:** [20:56m tells story]

**S Wanzek:** I see the need for more detailed description. Suggested to show access records.

**J White:** If we put burden on scrap metal handlers, we don't know if it's going to stop them every time.

**S Klein:** Is a receipt produced with a name, are you going to add the drivers license and vehicle license?

**J White:** Name, government agency issued ID.

**S Klein:** So you need to be getting more information?

**J White:** This will allow us to go ask someone with a search warrant.

**S Behm:** So they can use their ID and a license.

**J White:** You can put into it what you want to put into it.

**S Behm:** I can't see the license plate on my old truck.

**J White:** That's an issue for the Highway Patrol.

**S Heitkamp:** This makes sense to give them the authority to check providers.

**S Wanzek:** I can't believe there aren't any scrap metal dealers here in testimony.

**J White:** Pg. 2, bottom of 1, record to go and look Sec. 3, reporting to law enforcement officers

**S Heitkamp:** Many companies do business with large companies. The smaller companies may say it is going to make them do more paperwork than it's worth.

**J White:** We need harder restrictions.

**S Behm:** When a scrap yard sees a big roll of copper wire come in, you'd think they'd be suspicious.

**J White:** That's what will happen with this bill. We'll find out through information.

**S Heitkamp:** I might suggest you drop Section 3, raise the dollar limit to \$200 or \$100 to make multiple trips.

**S Potter:** What are the penalties for Grand theft. Isn't it \$501 and Class C Felony?

**S Hacker:** That is for cease and desist.

**J White:** This is a law to be enforced, but we couldn't enforce.

**HEARING CLOSED *Discussion continued***

**S Heitkamp:** 3 things to look at: Get rid of all requirements but:

1. Government issued ID
2. Limit \$200
3. Get rid of section 3, puts onus on dealer.

**S Wanzek:** Date, time and place on the invoice along with ID

**S Heitkamp:** D goes out

**S Wanzek:** Sellers name

**S Potter:** Sellers ID on license

**S Wanzek:** Leave IN the "D" to have a valid ID

**S Behm:** Section 5, exempt.

**S Klein:** Sect. 4, If they have a steel roll and burn off the plastic, they can sell the copper.

**S Potter:** This would provide for the "lawfully burned."

**S Heitkamp:** It's all about tracking

**S Hacker:** Can we change it to a misdemeanor from Class A to Class B

**S Klein:** 1 year, \$1000, \$500, an infraction is \$100. Basically used for "records keeping."

**S Heitkamp:** How much would it be.

**S Wanzek:** Dealer he knows will dicker. If he's a proven scrap dealer who knew he was accepting stolen property, he would get caught.

**J White:** Explained the standards [39:00m]

**S Heitkamp:** We should change it to Class B instead of A.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2301 B**

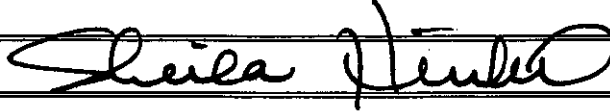
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 29, 2007**

Recorder Job Number: **2179**

Committee Clerk Signature



Minutes:

**S Heitkamp:** I think the amendments make it better. The only thing that needs to be pointed out here is that I think is of merit. They can't pull into someone's yard and say, I wanna see where the copper is, I wanna see where the brass it. What's disappearing. That's legitimate, but through normal methods, if you go on those sites, check it out, I think my guys back home are pretty legit. [example 3 piles 1:12m]

Statement of evidence. Senator Potter had a good suggestion. You're not making them a branch of the police force. Page 4, line 10, from a class A to a class B misdemeanor. I'll move the amendments.

**S Klein:** Is there a second? [3 people respond]

**Motion by S Heitkamp**

**Second by S Hacker**

**S Wanzek:** I've heard you think it makes the bill better, but it still seems you're troubled by the bill. We're going to dress it up before we send it to slaughter.

**S Heitkamp:** In fairness to this committee, this was brought up by local police force who didn't show up to testify to it.



**S Klein:** There wasn't anyone here to testify, but there were some good points on how an investigation you can ask.

**S Hacker:** I know that a few of the other trips from Grand Forks were supposed to be here today, but due to weather cancelled their trips. I would request that we hold the final vote until we get written testimony and hear their voice.

**CLOSED**

**Motion by S Heitkamp**

**Second by S Hacker**

**Do Pass on the amendments as presented by S Heitkamp. 6-0 – 1 absent**

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2301 C**

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 30, 2007**

Recorder Job Number: **2289**

Committee Clerk Signature 

*Police Dept. from West Fargo presented.:*

**Arland Rasmussen, Chief of Police**

**Mike Reitan, Captain**

**Arland Rasmussen: Chief of Police West Fargo**

We found people are looking for "junk" Senator Lee contacted us.

**Mike Reitan – Captain of West Fargo Police**

## **TESTIMONY # 1**

The theft is like unbranded cattle. They are no longer traceable. Metals are moved to scrap metal junkyards either in or out of state.

In West Fargo an irrigation was hacked and taken off the property. Body shops with truck cab parts, if they turn people away, may have it stolen.

Large wire spools have been drug over a mile and loaded in a truck. We can stop them, but can't track where they are disposing of it. We don't know if it's legitimate or stealing.

Section 3 would help better track sales so we can get information from the transaction.

**S Behm:** [Told the story of people taking wire off the farm]

**S Heitkamp:** There are so many places where you see trailers hauling junk. Do you have suspicions?

**M Reitan:** Much of this will go to Minnesota, Hugo, MN. We have been talking to people in MN. They are also working towards that.

**S Heitkamp:** It's right in our backyard.

**M Reitan:** With this bill we will have a solid record. We can get stories and can tell if it is a lie. This is a network to find thieves.

**S Behm:** A roll of wire, the metal man knows if it would be stolen. Someone needs to be accountable.

**S Wanzek:** Most elevators know their people. They recognize them. If a stranger shows up, they may question them.

**Arland Rasmussen:** We'd be targeting special groups. There are a large number in our Fargo area.

**S Wanzek:** What's prohibiting you now?

**A Rasmussen:** We don't have a right to see the invoice.

**S Potter:** Are you being turned down or are they cooperating.

**A Rasmussen:** Not all of them, but in the MN area.

**S Potter:** So not in ND?

**Mike Reitan:** We are lacking information.

Thank you from **S Klein** for showing.

CLOSE

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2301 D

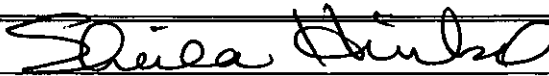
Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: **January 31, 2007**

Recorder Job Number: **2423**

Committee Clerk Signature



Minutes:

**S Klein:** I'm still not happy with what we're doing but I think, I'm going to support this.

**S Heitkamp:** I'm going to vote against the bill, more "butt-covering" than anything else, I really struggle with law enforcement, a junk yard takes in materials, they really do specialize in what they take in, and you know things are movin' in the area. You start showin' up at their door in your vehicle, they will say, "We don't have to talk to you." Now you have all the reason in the world to keep an eye on it, good old-fashioned law enforcement. The junk dealers we're talking about here, we're trying to encourage people to get junk moved. Get it recycled. I'm not convinced it's a good bill and it's needed for law enforcement to do their job.

**S Behm:** I talked to some of them, the guys buying this stuff should be just as much responsible; if someone comes in with 300-1000 lbs of copper and sells at a junkyard, you know good and well it was stolen from somewhere. You don't take junk and roll it up on a spool.

**S Klein:** So how do you feel about the bill?

**S Behm:** I think I'd like to see the junkyards be as responsible as the offending party.

**S Hacker:** I wonder if the Secretary of State can't have licensing requirements. Just a thought.

**S Wanzek:** I think the issue is, they want to have some identification and if it's a stranger, they could ask for a driver's license. Most of these laws that are being written are for the 5%, the shysters, I don't like it but I kind of understand it. I think we have it in the best shape we can.

**S Potter:** I tended to oppose the bill from the start, for 2 reasons.

1. We're hearing about this problem in the Fargo/West Fargo area and I'm sure crossing the Red River is not a difficult task for these guys. I don't think we're getting at the problem unless we coordinate with Minnesota.

2. Philosophy – We see a lot of little bills that chip away at things, try to segregate, so we give powers in other fields, it's a bad way to go about it, there are police procedures in place, due process, warrants, all those exist and for us to exempt one industry, or single out one industry, it just seems wrong. I'm going to vote no.

**S Behm:** I can see why they want this bill.

**S Hacker:** Even though if we put it into law, these people are still going to be stealing copper and we're still going to have the shysters that are going to be taking it.

I'll withdraw the motion if someone will withdraw the second.

**S Heitkamp: I Move a DO NOT PASS**

**Second S Potter**

**S Wanzek:** What I'm hearing from S Heitkamp is that there is suspicion, they have the rules and laws to get records, they are asking to go beyond that. That may be the argument why we can't support this bill.

**S Heitkamp:** This doesn't demean the people in the junk industry. There are some very wise, really smart people in the junk industry, they're just smart in different ways. Junk dealers aren't always great record keepers. They're not. Cold, hard truth. So if they need to keep an eye on them, they can.

Page 3  
Senate Industry, Business and Labor Committee  
Bill/Resolution No. **SB 2301 D**  
Hearing Date: **January 31, 2007**

**VOTE ON A 'DO NOT PASS'**

**Vote: 5 – 1 – 1 [declining vote S Klein]**

**Carrier: S Heitkamp**









**REPORT OF STANDING COMMITTEE**

**SB 2301: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (5 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). SB 2301 was placed on the Sixth order on the calendar.**

Page 1, line 23, replace "twenty-five" with "two hundred"

Page 2, line 6, replace "The seller's name, physical description including gender, height, weight, race," with "A"

Page 2, remove line 7

Page 2, line 8, remove "number or a"

Page 2, remove lines 27 through 30

Page 3, remove lines 1 through 19

Page 3, line 22, after "seller" insert "a"

Page 3, line 23, replace "evidence" with "statement"

Page 3, line 24, replace "evidence" with "a statement"

Page 3, line 25, replace the first underscored comma with "and" and remove ", and 4"

Page 4, line 9, replace the first underscored comma with "or" and remove ", or"

Page 4, line 10, remove "4" and replace "A" with "B"

Renumber accordingly

2007 TESTIMONY

SB 2301

**From:** Lee, Judy E. [mailto:jlee@nd.gov]  
**Sent:** Monday, January 29, 2007 8:33 PM  
**To:** Michael D. Reitan  
**Subject:** FW: Scrap Metal

Mike -

I just sent this message to Arland and got an auto response saying that he would be out until Feb. 1. I need a response tomorrow morning, 1/30. Can you help with it?

**From:** Lee, Judy E.  
**Sent:** Monday, January 29, 2007 8:27 PM  
**To:** 'Arland H. Rasmussen'  
**Subject:** FW: Scrap Metal

Arland - SB 2301 is the scrap metal bill. There was testimony from the Attorney General's office, but no one else was there. Do you have some written comments that I could provide for the committee, so they would appreciate the challenges that law enforcement has? It sounds as if Section 3 may be amended out, because committee members didn't like the details which would have to be recorded by scrap metal dealers.

Please let me know right away, if you want to provide remarks. You can e-mail them to me, and I can print them out and give them to committee members.

**From:** Hacker, Nicholas P.  
**Sent:** Monday, January 29, 2007 3:31 PM  
**To:** Lee, Judy E.  
**Subject:** Scrap Metal

Sounds like some people will be against the bill. I don't have a problem with it if its amended. Is there any written testimony coming from the Fargo Police Chief etc. Jerry kind of wanted to take the bill up today but I asked him to keep it open incase they are trying to get us some testimony. We will take it up tomorrow afternoon however.

Thanks

Nick

Sen. Nick Hacker  
NHacker@state.nd.us  
(701) 739-3917

1/30/2007

~~2301~~ 2301 #1

**Lee, Judy E.**

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**From:** Michael D. Reitan [Michael.Reitan@westfargond.gov]  
**Sent:** Tuesday, January 30, 2007 6:00 AM  
**To:** Lee, Judy E.  
**Subject:** RE: Scrap Metal

Arland is at the Comfort Inn in Bismarck the 30th for Chiefs of Police meeting and will be at the Capitol on the 31st for Law Day. Arland's cell is 701-866-6013.

Like unbranded cattle, recyclable metals are disappearing from the prairies of North Dakota. Construction Companies, Electrical Distribution Companies, Auto Body Shops and Auto Salvage Yards are losing thousands of dollars a month to theft of recyclable material. The problem is becoming epidemic not only here but across the nation as local, state and Federal law enforcement agencies establish task forces targeting those responsible for these thefts. In California, idle wind towers are stripped of their grounding cables. In Tennessee, it is wire from electrical companies. Minnesota is losing aluminum from auto body shops and catalytic converters. Locally whole spools of electrical wire are removed from construction job sites and electrical company material yards. Copper plumbing pipes are removed from homes under construction. Recyclable materials outside of businesses are illegally removed. A catalytic converter contains a few ounces of precious metal which can be extracted and sold for over \$20 an ounce. Any distinctive marking an owner may apply can quickly be removed.

A typical scenario for a theft is someone comes to a business place or construction site during daylight hours and makes an offer to buy scrap metals. Turned away, the buyer leaves but only after having already seen what recyclable material is available. During the following week the recyclable material disappears overnight. Even moving materials to more secure areas does not appear to curb the thefts.

Law Enforcement currently has few tools to use to try to abate this crime spree. Networking and sharing of information between law enforcement agencies is used to identify those persons moving large volumes of recyclable materials. Traffic stops generate most of the information or information gathered from conducting registration checks on motor vehicles hauling scrap. This practice only identifies who is hauling recyclables, not how much and to where. Law enforcement officials need a better way to positively identify those involved in the collection and sale of large volumes of recyclable materials.

Senate Bill 2301 would greatly assist law enforcement in the identification of those handling recyclable materials. It would also provide law enforcement officers the opportunity to view and possibly identify materials as stolen. Section 3 in the bill addresses the urgent need to be able to view the recyclable material before it is easily altered from its original condition. Without this bill law enforcement will continue to struggle to identify those responsible for the theft of recyclable material.

Captain Mike Reitan  
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It's Not about being Right, It's about *doing* Right

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-----Original Message-----

1/30/2007

#1  
SB 2301