

# Scrap Metal Dealers and Recyclers Identification Act - Overview

## The Act

The *Scrap Metal Dealers and Recyclers Identification Act (The Act)* was proclaimed November 2019 with the intent to protect against metal theft. In July 2020, government made amendments to strengthen the legislation and established the Scrap Metal Dealers and Recyclers Regulation. The Act and Regulation implement duties for scrap metal dealers and recyclers when they purchase or receive scrap metal. The Act also enables law enforcement to conduct compliance investigations, and establishes penalties for contraventions of the Act.

Sections of the Act and Regulations will come into force at different times:

### September 1, 2020

- Definition of scrap metal
- Types of identification to be provided by sellers
- Seller conditions
- Transaction information that must be obtained and recorded by scrap metal dealers and recyclers
- Data retention requirements, and
- Excepted or exempted transactions.

### November 1, 2020

- Transaction and personal information to report to law enforcement through an electronic database
- The use of traceable currency and restrictions on cash transactions, and
- Holds by request.

To clarify the details of some of the requirements in the act, additional information follows.

## Definitions

**Scrap metal dealers** includes any “person engaged in the business of purchasing, trading or bartering scrap metal and includes employees of that person”.

This includes **mobile dealers**, who are required to

obtain and report the same information from sellers as their larger non-mobile counterparts. Any dealer found not complying would be in violation of the Act and regulations, and could be subject to fines as outlined in the Act.

**Scrap metal** – all new or used items substantially made of non-ferrous metals. The regulations specify commonly stolen items, including but not limited to:

- a) Copper cables and wires, including power lines, telecommunications cables, and cable reels;
- b) Metal traffic control lights, signals, and signs;
- c) Street lighting poles, wiring, and fixtures;
- d) Sewer grates and manhole covers;
- e) Metal guard rails and handrails;
- f) Metal grave markers, funeral vases, memorial plaques, and monuments;
- g) Catalytic converters; and
- h) Lead acid batteries.

## Transaction Requirements

### Identification Requirements

Transactions are limited to individuals 18 years or older. Valid government-issued identification is required – which means an original, valid piece of identification with the seller’s picture, issued by a government body. This piece of identification must:

- have a photo;
- have a name and a signature;
- include date of birth;
- have a unique identifier number; and,
- be original (not a copy).

### Recording

During a transaction, scrap metal dealers and recyclers will be required to record information about the seller, and the transaction itself.

*Personal information to be recorded:*

- Legal name
- Address

For further information please contact the Scrap Metal Hotline at 780-509-3123

- Name of the business (if applicable), and
- unique ID number on the personal ID provided

*Transaction information to be recorded:*

- Date and time the property was acquired
- Description of the metal
- Weight of the metal, and
- The specific, make, model, colour, and licence plate number of any vehicle in which property is delivered.

Scrap metal dealers and recyclers are required to retain the prescribed information for at least 2 years from the time of sale or as prescribed in regulations. The Act and regulations require scrap metal dealers and recyclers to report transactions directly to law enforcement via centralized database.

## Reporting Requirements

All scrap metal dealers will be required to report the purchase or receipt of restricted metals, as prescribed in the regulations, within 24 hours of the transaction. Effective November 1, 2020, reporting will be made through the central database.

Restricted metals include:

- Materials containing copper, in any form
- Materials containing bronze, in any form
- Metal that bears distinguishing or identifying marks indicating ownership
- Metallic wire that appears to have had insulation or casing removed from it, and
- Items b) through h) in the definition of scrap metal.

## Hold

Peace officers or law enforcement agency can notify and require scrap metal dealers to hold (i.e., do not sell or otherwise dispose of) suspected stolen materials for a period not to exceed 30 days.

## Payments

Cash payments are prohibited for metals as defined in the Act and Regulations. Scrap metal dealers and recyclers are required to use traceable currency to purchase scrap metals defined under the Act and Regulations as scrap metal. This means that

payments to sellers must be processed through a financial institution, such as a cheque or e-transfer.

## Fines and Exemptions

### Fines for violation of the Act

The potential penalties for contravening the Act are as follows. Individuals face significant fines and potential jail time, whereas corporations face substantial financial penalties.

- For individuals:
  - First offence: \$10,000, or imprisonment for a term of not more than one year, or both.
  - Second or subsequent offence: \$25,000, or imprisonment for a term of not more than one year, or both.
- For corporations:
  - First offence: \$50,000
  - Second or subsequent offence: \$200,000.

## Exceptions

The Act and regulations do not apply to:

- Purchase or receipt of scrap metal from a corporate body
- Bottle depot operators
- Landfills, or
- Non-profits entities and registered charities.

## Additional Information

Provincial regulations pertaining to scrap metal sales do not prevent municipalities from implementing additional requirements.

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