

SENATE COMMITTEE ON JUDICIARY

**Proponent Testimony for SB 219 – Transferring responsibility for the scrap metal database to the Kansas Bureau of Investigation, reducing the registration fee for scrap metal dealers, and requiring a tonnage excise tax
March 18, 2019**

Presented by:

**Leslie Kaufman, Director of Government Relations and Legal Counsel
Kansas Electric Cooperatives, Inc. (KEC)**

On Behalf of:

Westar/Kansas City Power and Light (Evergy), Kansas Electric Power Cooperative, Inc. (KEPCo), Liberty Utilities, Kansas Municipal Utilities (KMU), Kansas Electric Cooperatives, Inc. (KEC), Sunflower Electric Power Corp., and Midwest Energy, Inc.

Chairman Wilborn and members of the Senate Judiciary Committee, thank you for the opportunity to appear today as a proponent conferee on SB 219 regarding the Kansas scrap metal act. I am Leslie Kaufman and I serve as the Director of Government Relations and Legal Counsel for Kansas Electric Cooperatives, Inc. (KEC). I appear before you on behalf of the utility interests noted above.

For years, the Kansas legislature struggled to address the growing problem of scrap metal theft. Churches, schools, businesses, utilities, farms, irrigation equipment and homes were vandalized to obtain scrap metal. Copper pipes, tubing and wires were a major target. The damages and repairs from the theft of copper wiring worth less than \$10 can cause major repair bills, damage the equipment stripped and often caused huge increases in insurance premiums.

In 2014, the legislature authorized a “task force” to work through the Judicial Council and craft a comprehensive legislative proposal. The task force included representatives from the legislature, scrap metal industry, law enforcement, local government and representatives from industries impacted by theft and damage. The task force looked at laws and procedures in other states, examined database use and its impact and a myriad of other issues. The result of the task force’s efforts eventually led to passage of legislation strengthening penalties for metal theft under the criminal code and the implementation of the *Scrap Metal Theft Reduction Act* (Scrap Metal Act), now codified at K.S.A. 50-6,109.

Collectively, our utility groups have accepted delays in fully implementing certain features of the Act due to budget constraints, but we have continued to advocate for funding the database and preserving the integrity of the Scrap Metal Act.

The utilities in the state understand the enforcement benefits in a fully functioning Scrap Metal Act as we have been victims of such offenses. We applaud the efforts of the stakeholders to continue to look for innovative ways to tackle the issue. The changes to the Scrap Metal Act

contained in SB 219 are a reasonable approach to balance concerns of utilities and other victims, law enforcement and dealers.

We respectfully suggest an amendment to avoid returning next year to address an expiring exemption to the Open Records Act. SB 219 reflects the current sunset provision of July 1, 2020. Since the Act is open for consideration under this bill, we believe moving that sunset further out by amending SB 219 is an appropriate and efficient step. A suggested amendment is attached this testimony.

We respectfully request favorable action on the sunset date change and hope you will advance SB 219 favorably.

Thank you for the opportunity to share our views on SB 219. We will stand for questions at the appropriate time.

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1 (2) not be a public record and shall not be subject to the Kansas open
2 records act, K.S.A. 45-215 et seq., and amendments thereto. The
3 provisions of this subsection shall expire on July 1, ~~2020~~ 2022, unless the
4 legislature reviews and reenacts this provision pursuant to K.S.A. 45-229,
5 and amendments thereto.

6 Sec. 3. K.S.A. 2018 Supp. 50-6,112a is hereby amended to read as
7 follows: 50-6,112a. (a) A scrap metal dealer shall not purchase any
8 regulated scrap metal without having first registered each place of business
9 with the attorney general as herein provided.

10 (b) The attorney general shall establish a system for the public to
11 confirm scrap metal dealer registration certificates. Such system shall
12 include a listing of valid registration certificates and such other
13 information collected pursuant to the scrap metal theft reduction act, as the
14 attorney general may determine is appropriate. Disclosure of any
15 information through use of the system established by the attorney general
16 shall not be deemed to be an endorsement of any scrap metal dealer or
17 determination of any facts, qualifications, information or reputation of any
18 scrap metal dealer by the attorney general, the state, or any of their
19 respective agents, officers, employees or assigns.

20 (c) A registration for a scrap metal dealer shall be verified and upon a form approved by
21 the attorney general and contain:

22 (1) (A) The name and residence of the applicant, including all
23 previous names and aliases; or

24 (B) if the applicant is a: Corporation, the name and address of each
25 manager, officer or director thereof, and each stockholder owning in the
26 aggregate more than 25% of the stock of such corporation; or partnership
27 or limited liability company, the name and address of each partner or
28 member;

29 (2) the length of time that the applicant has resided within the state of
30 Kansas and a list of all residences outside the state of Kansas during the
31 previous 10 years;

32 (3) the particular place of business for which a registration is desired,
33 the name of the business, the address where the business is to be
34 conducted, the hours of operation and the days of the week during which
35 the applicant proposes to engage in business;

36 (4) the name of the owner of the premises upon which the place of
37 business is located; and

38 (5) the applicant shall disclose any prior convictions within 10 years
39 immediately preceding the date of making the registration for: A violation
40 of article 37 of chapter 21 of the Kansas Statutes Annotated, prior to their
41 repeal, or K.S.A. 2018 Supp. 21-5801 through 21-5839 or K.S.A. 2018
42 Supp. 21-6412(a)(6), and amendments thereto; perjury, K.S.A. 21-3805,
43 prior to its repeal, or K.S.A. 2018 Supp. 21-5903, and amendments