

New Scrap Metal Act and Scrap Metal Regulations

July 2022

On July 18, 2022, *The Scrap Metal Act* (the Act) and the *Scrap Metal Regulation* will come into force.

The Act and regulation set out a framework that applies to the sale and purchase of scrap metal in Manitoba. Under this framework, scrap metal dealers are required to record details about metal sales transactions. When scrap metal dealers buy certain items that are highly vulnerable to theft – restricted items (ex. catalytic converters), that transaction information must be reported to law enforcement.

The legislation also prohibits the purchase of certain scrap metal with cash. This restriction applies to the purchase of restricted items (regardless of value) or quantities of metal with a cumulative value greater than \$50.

What is “scrap metal”?

“Scrap metal” means a used item that is substantially made, or deriving its value, from aluminum, brass, bronze, copper, iron, lead, steel, stainless steel, tin or a prescribed metal or alloy, or is a restricted item.

What are “restricted items”?

Restricted items are items that are highly vulnerable to theft and resale or have significant intrinsic value. They include metallic wire that has had insulation or casing removed from it, catalytic converters, sewer access covers and grates, metal traffic light, signals and signs, street light poles, wiring and fixtures, metal grave markers, plaques, monuments and statutes, and metal that bears distinguishing or identifying marks indicating ownership of the metal.

Information that must be recorded regarding scrap metal purchases

Scrap metal dealers must obtain and record the following information about scrap metal purchases and identifying information about scrap metal sellers:

- A copy of the government-issue identification of the person selling or providing the scrap metal;
- A photograph of the person selling or providing the scrap metal;
- A description of the type, weight and any distinguishing marks or features of the scrap metal;
- A description of how the person acquired the scrap metal;

- The date and time of the transaction;
- The total value of the transaction;
- The full name of the individual who conducts the transaction on behalf of the scrap metal dealer;
- If a motor vehicle is used to deliver the scrap metal to the scrap metal dealer, the number, letters and jurisdiction shown on the number plate of the vehicle; and
- If the transaction involves a restricted item, a photograph that provides sufficient detail to identify the item.

These scrap metal transaction records must be maintained by the scrap metal dealer for a period of 2 years.

Exceptions to the record keeping requirement

The record keeping requirements do not apply to:

- the purchase of metal cans or containers that were used for food, beverages, paint or other domestic or household products and that are normally recycled to avoid waste, and coins, bullion or jewellery.
- the purchase of scrap metal from certain corporations and automobile dealers and recyclers.

Transactions involving purchase of restricted items

When a scrap metal dealer buys restricted items, the transaction information listed above must be reported to the law enforcement agency responsible for the scrap metal dealers location, within 7 days of the date of the transaction. The records can be submitted by mail, email or other electronic system approved by law enforcement.

Inspection of records by peace officer

Under the legislation peace officers can carry out inspections of the transaction records to determine compliance with the legislation. In doing so, a peace officer may at any reasonable time, without a warrant, enter a scrap metal dealer's place of business, or any other premises or place where the peace officer has reason to believe that records or other property relevant to the administration or enforcement of the legislation may be found. That authority, however, cannot be used to enter a dwelling that is occupied as a residence except with the consent of the owner or occupant or with the authority of a warrant obtained pursuant to *The Provincial Offences Act*.

The owner or person in charge of the place of inspection or having custody or control of the relevant records must make the records available to peace officers, and provide any assistance or additional information that the peace officer reasonably requires to perform the inspection.

The peace officer may make copies of the records, remove the records for further examination, require the owner or person in charge of the records/place of the inspection to produce the records in a printout or electronically readable format, make them available or send them to an address specified by the police.

Offence

Individuals who contravene *The Scrap Metal Act* or regulation will be liable on conviction to a fine of not more than \$5,000 for a first offence, or not more than \$15,000 for a second or subsequent offence.

A corporation would be liable on conviction to a fine of not more than \$15,000 for a first offence, and not more than \$50,000 for a second or subsequent offence. The director, officer, employee or agent of a corporation who participated in, authorized or acquiesced in the commission of the offence would be liable on conviction to a fine of not more than \$5,000 for a first offence, or not more than \$15,000 for a second or subsequent offence.