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STATEMENT OF BRAD SMOOT LEGISLATIVE COUNSEL ADVANTAGE METALS RECYCLING HOUSE JUDICIARY COMMITTEE REGARDING 2025 HB 2349 FEBRUARY 10, 2025 NEUTRAL

Madam Chair and Members:

Thank you for this opportunity to appear as a neutral conferee on 2025 HB 2349, regarding proposed changes to the state scrap metal theft reduction act. I am local counsel for AMR, the largest scrap recycler in Kansas and Missouri, maintaining 12 locations in the two states with nearly 200 employees. We are part of the David J. Joseph Company (DJJ), which operates a network of 63 recycling facilities in the U.S. including 18 automobile shredders. DJJ is a wholly owned subsidiary of Nucor Corporation, the most diversified steel and steel product's company in North America, who employs more than 27,000 employees across over 300 locations. We operate five plants in Kansas including Kansas City, Kansas, Topeka, Emporia, Ft. Scott, and Columbus. Together, AMR plants convert steel and metal into useable raw materials for industry instead of those metals ending up in Kansas landfills or rusting away on farms and vacant lots.

We appear neutral today because we endorse the possible expansion of law enforcement efforts to identify and investigate some violations of the Scrap Metal Theft Reduction Act. However, we are equally concerned about granting to local units of government the authority to expand the scope of the Act with the only limitation being that the local rules don't "conflict" with the Act. See Section 3. It is unclear just what local units are proposing to add to the burdens of law bidding dealers, many of whom have expended considerable amounts of money and staff time complying with the current data collection and reporting requirements of existing law. The current law was a carefully crafted piece of legislation negotiated and supported by scrap dealers, law enforcement, lawmakers and others. Any changes should probably be discussed with all the interested parties to ensure that any changes do not penalize the good actors in our efforts to capture and discourage the bad ones.

Finally, while large and more sophisticated dealers like AMR might be able to handle additional requirements, there are dozens of smaller family-owned dealers for whom any additional locally imposed burdens may be problematic, even destructive to their business. Those smaller voices should be heard from as well. These folks may have a lot to offer to the Committee if given time and an opportunity to review the legislation and comment on its proposed changes. Moreover, the Senate has introduced its own amendment to scrap metal theft problem in Wichita which proposes a very different solution than HB 2349. For these reasons, we urge the Committee to move deliberately and with as much input as possible before enacting HB 2349.

Thank you for allowing us to speak and submit our written remarks.