

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 198
Economic Matters

(Charles County Delegation)

Finance

Junk Dealers and Scrap Metal Processors - Cell Tower Batteries - Required Record

This bill incorporates the purchase of used cell tower batteries into existing recordkeeping and transaction requirements for junk dealers and scrap metal processors. An existing prohibition against a junk dealer or scrap metal processor purchasing specified items from an individual unless the individual, at the time of purchase, provides appropriate authorization from a relevant business or unit of government also applies to used cell tower batteries.

Fiscal Summary

State Effect: The Department of State Police (DSP) can implement the bill with existing budgeted resources. The State’s electronic recordkeeping software is capable of accepting the new records. Revenues are not affected.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal. Junk dealers and scrap metal processors are generally small businesses. These businesses must include purchases of specified cell tower batteries in their transaction records, which are submitted electronically to law enforcement. The businesses are also prohibited from purchasing the batteries from an individual who does not have appropriate authorization. DSP advises that existing transaction records already include other types of batteries, such as car batteries.

Analysis

Current Law: In general, a resident or nonresident person must have a junk dealer or scrap metal processor license whenever the person does business as such in the State. A junk dealer or scrap metal processor is a person who does business buying or selling articles made of metals and compounds enumerated in State law, including aluminum, brass, bronze, light copper, heavy copper, pewter, nickel, and tin, among others. Local law enforcement may enforce the laws related to junk dealers and scrap metal processors.

Generally, for each purchase of junk or scrap metal in the State, a junk dealer or scrap metal processor must keep an accurate electronic record that states:

- the date and time of purchase;
- a description of the junk or scrap metal purchased;
- the amount paid or other consideration for the junk or scrap metal;
- the registration plate number, make, and model of any vehicle used;
- the name and address of the individual from whom the junk or scrap metal is acquired;
- the signatures of the individual from whom the junk or scrap metal is acquired and the individual who accepted the junk or scrap metal; and
- specified information from the driver's license or State-issued identification card of the individual from whom the junk or scrap metal is acquired.

This information must be submitted electronically to the primary law enforcement unit by the end of the first business day following the date of the transaction.

A junk dealer or scrap metal processor may not purchase a cemetery urn, grave marker, or any other of several items enumerated in current law from an individual unless the individual, at the time of purchase, provides appropriate authorization from a relevant business or unit of federal, State, or local government specifically authorizing the individual to conduct the transaction. Under the bill, this restriction applies to the purchase of cell tower batteries.

Generally, a violation of the laws related to junk dealers and scrap metal processors is a misdemeanor and subject to a maximum penalty of a \$500 fine, per offense. Enhanced penalties exist for a violation of licensee recordkeeping requirements, which is a misdemeanor and subject to a maximum penalty of a \$500 fine for a first offense and a \$5,000 fine and/or one year imprisonment for a second or subsequent offense.

RAPID System

The State uses the Regional Automated Property Information Database (RAPID) system to transmit acquisition information from secondhand dealers to local law enforcement through an Internet interface. RAPID enables police departments statewide to immediately gain access to timely information about property that has been sold to pawnbrokers, precious metal dealers, junk dealers, scrap metal processors, or vehicle salvage yards.

Cell Tower Batteries

Many cellular network towers are equipped with backup batteries that provide emergency power and allow cellular service to continue in the event of a power outage. Over the last several years there have been several high-profile thefts of these batteries, which contain valuable metals.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police; Montgomery County; Department of Legislative Services

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