

HOUSE BILL 442

C2

9lr2594

By: **Delegate Ebersole**

Introduced and read first time: January 31, 2019

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Junk Dealers and Scrap Metal Processors – Reporting**
3 **Requirements**

4 FOR the purpose of requiring certain law enforcement units to supply a list of all junk
5 dealers and scrap metal processors who have submitted certain records on request
6 and subject to a certain limitation; defining a certain term; and generally relating to
7 reporting requirements for junk dealers and scrap metal processors.

8 BY repealing and reenacting, with amendments,
9 Article – Business Regulation
10 Section 17–1001 and 17–1011
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2018 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That the Laws of Maryland read as follows:

15 **Article – Business Regulation**

16 17–1001.

17 (a) In this subtitle the following words have the meanings indicated.

18 (b) “Agent” means a person who buys or sells junk or scrap metal for a junk dealer
19 or scrap metal processor.

20 (c) “Antique dealer” means a person who does business buying and selling
21 antiques.

22 (d) “Antiques” means objects made in, or typical of, an earlier period of time, that
23 either have special value because of their age or are examples of works of art or handicrafts.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(E) “BUSINESS DAY” MEANS MONDAY THROUGH FRIDAY, EXCEPT AN**
2 **EMPLOYEE HOLIDAY AS DEFINED UNDER § 9-201 OF THE STATE PERSONNEL AND**
3 **PENSIONS ARTICLE.**

4 **[(e)] (F) (1) “Junk” or “scrap metal” includes:**

5 (i) nonferrous articles made wholly or substantially of:

- 6 1. aluminum;
- 7 2. babbitt metal;
- 8 3. brass;
- 9 4. bronze;
- 10 5. light copper;
- 11 6. heavy copper;
- 12 7. lead;
- 13 8. low carbon chrome;
- 14 9. low carbon manganese;
- 15 10. molybdenum;
- 16 11. monel metal;
- 17 12. pewter;
- 18 13. nickel;
- 19 14. stainless steel;
- 20 15. tin;
- 21 16. vanadium;
- 22 17. zinc;
- 23 18. platinum;
- 24 19. gold;

- 1 20. rhodium; or
- 2 21. other nonferrous metals; and
- 3 (ii) the following used articles, made of either ferrous or nonferrous
- 4 metal:
 - 5 1. catalytic converters;
 - 6 2. metal bleachers;
 - 7 3. hard-drawn copper;
 - 8 4. metal beer kegs;
 - 9 5. cemetery urns;
 - 10 6. grave markers;
 - 11 7. propane tanks;
 - 12 8. cell tower batteries; and
 - 13 9. any other used articles owned by a public utility including:
 - 14 A. guardrails;
 - 15 B. manhole covers;
 - 16 C. metal light poles;
 - 17 D. tree grates;
 - 18 E. water meters; and
 - 19 F. street signs.

20 (2) “Junk” or “scrap metal” does not include beverage cans or food cans.

21 [(f)] (G) (1) “Junk dealer” or “scrap metal processor” means a person who
 22 does business buying or selling junk or scrap metal.

23 (2) “Junk dealer” or “scrap metal processor” does not include a dealer or
 24 pawnbroker licensed under Title 12 of this article.

25 [(g)] (H) “Primary law enforcement unit” means the Department of State Police,
 26 a police department, or sheriff, as designated by a resolution of the county or municipal

1 governing body in the county in which the license of the junk dealer or scrap metal processor
2 is held.

3 17-1011.

4 (a) (1) This section applies to all junk dealers and scrap metal processors doing
5 business in the State, including nonresident junk dealers and nonresident scrap metal
6 processors.

7 (2) This section applies to an automotive dismantler and recycler or scrap
8 metal processor licensed under Title 15, Subtitle 5 of the Transportation Article if the
9 automotive dismantler and recycler or scrap metal processor:

10 (i) conducts business as a licensed junk dealer or scrap metal
11 processor;

12 (ii) acquires vehicle parts that qualify as junk or scrap metal as
13 defined under § [17-1001(e)] **17-1001** of this subtitle; or

14 (iii) acquires articles that are listed, or made of metals that are listed,
15 in § [17-1001(e)] **17-1001** of this subtitle.

16 (3) This section does not apply to:

17 (i) an automotive dismantler and recycler or scrap metal processor
18 that only acquires whole vehicles for the purpose of dismantling, destroying, or scrapping
19 them for the benefit of their parts or the materials in them; or

20 (ii) a person that buys scrap metal to use as raw material to produce
21 1,000,000 tons of steel or more in the State per calendar year.

22 (4) (i) Except as provided in subparagraph (ii) of this paragraph, this
23 section preempts the right of a county or municipality to regulate the resale of junk or scrap
24 metal.

25 (ii) This section does not limit the power of a county or municipality
26 to license junk dealers and scrap metal processors.

27 (iii) This section supersedes any existing law of a county or
28 municipality that regulates the resale of junk or scrap metal.

29 (b) (1) For each purchase of junk or scrap metal in the State, a junk dealer or
30 scrap metal processor shall keep an accurate record in English.

31 (2) The record shall state:

32 (i) the date and time of purchase;

- 1 (ii) a description of the junk or scrap metal purchased, including:
- 2 1. the type and grade of the junk or scrap metal; and
- 3 2. if payment is based on weight, the weight of each type and
- 4 grade of junk or scrap metal;
- 5 (iii) the amount paid or other consideration for the junk or scrap
- 6 metal;
- 7 (iv) the registration plate number, make, and model of any vehicle
- 8 used;
- 9 (v) the name and address of the individual from whom the junk or
- 10 scrap metal is acquired;
- 11 (vi) the signature of:
- 12 1. the individual from whom the junk or scrap metal is
- 13 acquired; and
- 14 2. the junk dealer, scrap metal processor, or employee who
- 15 accepted the junk or scrap metal; and
- 16 (vii) for each individual from whom the junk dealer or scrap metal
- 17 processor acquires junk or scrap metal:
- 18 1. the date of birth and driver's license number of the
- 19 individual; or
- 20 2. identification information about the individual from a
- 21 valid State-issued photo ID that provides a physical description of the individual, including
- 22 the sex, race, any distinguishing features, and approximate age, height, and weight of the
- 23 individual.
- 24 (3) The records required under this subsection shall be kept in electronic
- 25 form.
- 26 (4) (i) Subject to subparagraph (iv) of this paragraph, the junk dealer
- 27 or scrap metal processor shall submit a copy of each record required under this paragraph
- 28 to the primary law enforcement unit in accordance with subparagraphs (ii) and (iii) of this
- 29 paragraph.
- 30 (ii) A junk dealer or scrap metal processor shall submit a record by
- 31 transmitting a copy of the records electronically, in a format acceptable to the receiving
- 32 primary law enforcement unit, by the end of the first business day following the date of the

1 transaction.

2 (iii) Each copy of a record submitted to the primary law enforcement
3 unit shall include:

4 1. the date and time of purchase;

5 2. a description of the junk or scrap metal, including its
6 weight if payment is based on weight;

7 3. whether the amount paid or other consideration for the
8 junk or scrap metal exceeds \$500;

9 4. the registration plate number of any vehicle used by the
10 individual from whom the junk or scrap metal is acquired;

11 5. the name and address of the individual from whom the
12 junk or scrap metal is acquired;

13 6. the date of birth and driver's license number of the
14 individual from whom the junk or scrap metal is acquired;

15 7. identification information about the individual from a
16 valid State-issued photo ID that provides a physical description of the individual, including
17 the sex, race, age, height, and weight of the individual; and

18 8. an electronic scan or photocopy of the valid State-issued
19 photo ID under item 7 of this subparagraph.

20 (iv) The provisions of subparagraphs (i), (ii), and (iii) of this
21 paragraph may not be construed to require a junk dealer or scrap metal processor to incur
22 a substantial financial burden to comply with the requirements of this paragraph.

23 (5) A copy of a record submitted under paragraph (4) of this subsection:

24 (i) shall be kept confidential;

25 (ii) is not a public record; and

26 (iii) is not subject to Title 4 of the General Provisions Article.

27 (6) (I) **SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, ON**
28 **REQUEST OF A LICENSED JUNK DEALER OR SCRAP METAL PROCESSOR, THE**
29 **PRIMARY LAW ENFORCEMENT UNIT SHALL SUPPLY A LIST OF ALL JUNK DEALERS OR**
30 **SCRAP METAL PROCESSORS THAT HAVE SUBMITTED RECORDS UNDER PARAGRAPH**
31 **(4) OF THIS SUBSECTION.**

1 (II) The primary law enforcement unit may destroy the copy of a
2 record submitted under paragraph (4) of this subsection after 1 year from the date that the
3 primary law enforcement unit receives the copy.

4 (7) (i) The primary law enforcement unit may waive the holding of
5 electronic records under paragraph (3) of this subsection or the submission of electronic
6 records under paragraph (4) of this subsection by a junk dealer or scrap metal processor.

7 (ii) Any waivers granted under subparagraph (i) of this paragraph
8 shall be limited to authorizing a junk dealer or scrap metal processor to:

9 1. extend the reporting deadline under paragraph (4) of this
10 subsection for an extra day;

11 2. hold written records; or

12 3. submit records by facsimile or by mail.

13 (c) (1) This subsection applies to junk dealers and scrap metal processors who
14 are residents of the State.

15 (2) Each junk dealer or scrap metal processor shall keep the records
16 required by subsection (b) of this section for 1 year after the date of the transaction.

17 (3) The records kept in accordance with this subsection shall be open to
18 inspection during business hours by State or local law enforcement personnel for an
19 investigation of a specific crime involving the materials listed under § [17-1001(e)]
20 **17-1001** of this subtitle.

21 (d) (1) A junk dealer or scrap metal processor may not barter, buy, exchange,
22 or accept from a person any junk or scrap metal unless the junk dealer or scrap metal
23 processor keeps records and makes entries in them in accordance with Part II of this
24 subtitle.

25 (2) A junk dealer or scrap metal processor may not purchase a catalytic
26 converter from an individual unless the individual, at the time of purchase, provides
27 identification as:

28 (i) a licensed automotive dismantler and recycler or scrap metal
29 processor; or

30 (ii) an agent or employee of a licensed commercial enterprise.

31 (3) A junk dealer or scrap metal processor may not purchase a cemetery
32 urn, grave marker, or any other item listed under § [17-1001(e)(1)(ii)] **17-1001** of this
33 subtitle from an individual unless the individual, at the time of purchase, provides

1 appropriate authorization from a relevant business or unit of federal, State, or local
2 government specifically authorizing the individual to conduct the transaction.

3 (e) State or local law enforcement personnel may request information from the
4 records required under subsection (b) of this section pursuant to an investigation of a
5 specific crime involving the materials listed under § [17-1001(e)] **17-1001** of this subtitle.

6 (f) (1) The record and reporting requirements of subsection (b) of this section
7 do not apply to an item that is acquired from:

8 (i) a licensed junk dealer or scrap metal processor;

9 (ii) a unit of federal, State, or local government; or

10 (iii) a commercial enterprise with a valid business license that has
11 entered into a written contract with a junk dealer or scrap metal processor who has
12 provided to the primary law enforcement unit:

13 1. the name and business address of the commercial
14 enterprise; and

15 2. the type of junk or scrap metal subject to the contract.

16 (2) (i) Subject to subparagraph (ii) of this paragraph, a contract under
17 paragraph (1)(iii) of this subsection shall be open to inspection by a local law enforcement
18 agency on the premises of the junk dealer or scrap metal processor during business hours.

19 (ii) Notwithstanding any other law, a contract open to inspection by
20 a local law enforcement agency under subparagraph (i) of this paragraph may not be open
21 for public inspection without the consent of the junk dealer or scrap metal processor.

22 (g) (1) If a State or local law enforcement agency has reasonable cause to
23 believe that junk or scrap metal that is in the possession of a junk dealer or scrap metal
24 processor is stolen, the law enforcement agency may issue a written hold notice.

25 (2) The written hold notice shall:

26 (i) identify the items of junk or scrap metal alleged to be stolen and
27 subject to hold;

28 (ii) inform the junk dealer or scrap metal processor of the hold
29 imposed on the items of junk or scrap metal; and

30 (iii) specify the time period for the hold, not to exceed 15 days.

31 (3) On receipt of a written hold notice from a law enforcement agency, a
32 junk dealer or scrap metal processor may not process or remove from the junk dealer's or

1 scrap metal processor's place of business before the end of the hold period any items of junk
2 or scrap metal identified in the hold notice, unless the item is released by the law
3 enforcement agency or by court order.

4 (h) Local law enforcement personnel of the county where the place of business of
5 the junk dealer or scrap metal processor is located or where the junk or scrap metal was
6 purchased may enforce this section.

7 (i) A person who violates this section is guilty of a misdemeanor and on conviction
8 is subject to:

9 (1) a fine not exceeding \$500 for a first offense; and

10 (2) a fine not exceeding \$5,000 or imprisonment not exceeding 1 year or
11 both for a subsequent offense.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2019.