

# SENATE BILL 521

C2

8lr0659

---

By: **Senators DeGrange, Astle, Garagiola, Kasemeyer, Klausmeier, Robey, and Rosapepe**

Introduced and read first time: February 1, 2008

Assigned to: Finance

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 23, 2008

---

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Junk Dealers and Scrap Metal Processors – Required Records**

3 FOR the purpose of altering the requirements for records that certain junk dealers  
4 and scrap metal processors must keep for each purchase ~~or sale~~ of certain junk  
5 or scrap metal in the State; providing that certain provisions of law do not apply  
6 to certain transactions; providing for the applicability of the record keeping  
7 requirements; providing for the form and contents of the records; requiring that  
8 certain records be kept electronically; providing for the submission of certain  
9 records to certain law enforcement units under certain circumstances;  
10 authorizing certain law enforcement units to issue certain waivers under  
11 certain circumstances; requiring junk dealers and scrap metal processors who  
12 are residents of the State to keep the required records for a certain period of  
13 time; providing that the records shall be open to inspection by certain law  
14 enforcement personnel; ~~requiring nonresident junk dealers and scrap metal~~  
15 ~~processors before transporting the junk or scrap metal from the State to submit~~  
16 ~~the records to the primary law enforcement agency of the county where the junk~~  
17 ~~or scrap metal was purchased~~; prohibiting junk dealers and scrap metal  
18 processors from purchasing junk or scrap metal unless the person seeking to sell  
19 the junk or scrap metal provides certain documentation; authorizing State or  
20 local law enforcement personnel to request information from certain records  
21 under certain circumstances; authorizing a State or local law enforcement  
22 agency to issue a certain hold notice under certain circumstances; authorizing  
23 certain law enforcement personnel to enforce this Act; establishing certain  
24 penalties; altering a certain definition; and generally relating to junk dealers  
25 and scrap metal processors.

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, without amendments,  
 2 Article – Business Regulation  
 3 Section 17–1001(a)  
 4 Annotated Code of Maryland  
 5 (2004 Replacement Volume and 2007 Supplement)

6 BY repealing and reenacting, with amendments,  
 7 Article – Business Regulation  
 8 Section ~~17–1001(e)~~ 12–102(a), 17–1001(e), 17–1010, and 17–1011  
 9 Annotated Code of Maryland  
 10 (2004 Replacement Volume and 2007 Supplement)

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

13 **Article – Business Regulation**

14 12–102.

15 (a) This title does not apply to a transaction that involves:

16 (1) merchandise acquired from an established manufacturer or dealer  
 17 who holds a license under this title, other than a pawnbroker, if the dealer who  
 18 acquires the merchandise keeps an invoice or other customary proof of origin for the  
 19 merchandise;

20 (2) a metal acquired for use in dentistry by a dentist licensed to  
 21 practice dentistry under Title 4 of the Health Occupations Article; [or]

22 (3) coins or numismatic items; OR

23 (4) **THE PURCHASE OF JUNK OR SCRAP METAL THAT IS SUBJECT**  
 24 **TO THE RECORD AND REPORTING REQUIREMENTS UNDER § 17–1011 OF THIS**  
 25 **ARTICLE.**

26 17–1001.

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

28 (e) “Junk” or “scrap metal” includes:

29 (1) articles made wholly or [partly] **SUBSTANTIALLY** of:

30 (i) aluminum;

31 (ii) babbitt metal;

- 1 (iii) brass;
- 2 (iv) bronze;
- 3 (v) light copper;
- 4 (vi) heavy copper;
- 5 (vii) lead;
- 6 (viii) low carbon chrome;
- 7 (ix) low carbon manganese;
- 8 (x) molybdenum;
- 9 (xi) monel metal;
- 10 (xii) pewter;
- 11 (xiii) nickel;
- 12 **(XIV) STAINLESS STEEL;**
- 13 [(xiv)] **(XV) tin;**
- 14 [(xv)] **(XVI) vanadium; [or]**
- 15 [(xvi)] **(XVII) zinc;**
- 16 **(XVIII) PLATINUM;**
- 17 **(XIX) GOLD;**
- 18 **(XX) RHODIUM; OR**
- 19 **(XXI) NON-FERROUS METALS;**
- 20 (2) ~~stoves~~ **STREET SIGNS;**
- 21 (3) ~~plumbing fixtures and supplies~~ **GUARD RAILS;**
- 22 (4) ~~electrical fixtures and wiring;~~
- 23 (5) ~~gas fixtures and appliances;~~

1           ~~(6)~~ ~~pipes;~~

2           ~~(7)~~ ~~locks;~~

3           ~~(8)~~ ~~used railroad equipment;~~

4           ~~(9)~~ ~~used farm machinery;~~[and]

5           ~~(10)~~ (4)     **HARD DRAWN COPPER ELECTRICAL CONDUCTORS,**  
6 **CABLES, OR WIRE GREATER THAN THREE-EIGHTHS OF 1 INCH DIAMETER,**  
7 **STRANDED OR SOLID;**

8           ~~(11)~~ (5) **ALUMINUM CONDUCTORS, CABLES, OR WIRES GREATER**  
9 **THAN THREE-QUARTERS OF 1 INCH IN DIAMETER, STRANDED OR SOLID;**

10          ~~(12)~~ (6)     **METAL BEER KEGS;**

11          ~~(13)~~ (7)     **MANHOLE COVERS;**

12          ~~(14)~~ (8)     **TREE GRATES;**

13          ~~(15)~~ (9)     **METAL LIGHT POLES;**

14          ~~(16)~~ (10)    **CATALYTIC CONVERTERS; AND**

15            [(10)] ~~(17)~~ (11) any other similar used material **COMMONLY**  
16 **ASSOCIATED WITH PUBLIC UTILITY MAINTENANCE.**

17 17-1010.

18            [(a)] A nonresident junk dealer or nonresident scrap metal processor may not  
19 keep a fixed place of business in the State.

20            [(b) (1)] Before transporting junk or scrap metal from the State, each  
21 nonresident junk dealer, nonresident scrap metal processor, or agent of a nonresident  
22 junk dealer or nonresident scrap metal processor shall register with the sheriff of the  
23 county where the junk or scrap metal was bought a complete description of the junk or  
24 scrap metal to be transported.

25            (2) The description shall include:

26                   (i) the date of purchase;

27                   (ii) the name and junk dealer or scrap metal processor license  
28 number, if any, of the buyer;

1 (iii) the name and junk dealer or scrap metal processor license  
2 number, if any, of the seller;

3 (iv) the license tag number of the vehicle used; and

4 (v) the name of any consignee.]

5 17-1011.

6 [(a) Each junk dealer or scrap metal processor who is a resident of the State  
7 shall keep a written record in English that:

8 (1) for each purchase of junk or scrap metal:

9 (i) is made at the time of the purchase; and

10 (ii) includes:

11 1. a description of the junk or scrap metal purchased;

12 2. the name and address of the seller;

13 3. the license tag number of any vehicle used; and

14 4. the date and time of the purchase; and

15 (2) for each sale of junk or scrap metal, shows the name and address of  
16 the buyer.

17 (b) The records shall be open to inspection by State or local law enforcement  
18 personnel for the jurisdiction where the place of business of the junk dealer or scrap  
19 metal processor is located.]

20 (A) (1) **THIS SECTION APPLIES TO ALL JUNK DEALERS AND SCRAP  
21 METAL PROCESSORS DOING BUSINESS IN THE STATE, INCLUDING NONRESIDENT  
22 JUNK DEALERS, NONRESIDENT SCRAP METAL PROCESSORS, AND JUNK DEALERS  
23 AND SCRAP METAL PROCESSORS WHO ARE RESIDENTS OF THE COUNTIES  
24 LISTED IN § 17-1002(A) OF THIS SUBTITLE.**

25 (2) **THIS SECTION DOES NOT APPLY TO AN AUTOMOTIVE  
26 ~~DISMANTLERS AND RECYCLERS AND SCRAP PROCESSORS LICENSED UNDER §  
27 15-501~~ DISMANTLER AND RECYCLER OR SCRAP PROCESSOR LICENSED UNDER  
28 TITLE 15, SUBTITLE 5 OF THE TRANSPORTATION ARTICLE.**

1 (B) (1) FOR EACH PURCHASE ~~OR SALE~~ OF JUNK OR SCRAP METAL IN  
 2 THE STATE, A JUNK DEALER OR SCRAP METAL PROCESSOR SHALL KEEP A  
 3 ~~WRITTEN~~ AN ACCURATE RECORD IN ENGLISH THAT INCLUDES:

4 (I) THE DATE AND TIME OF PURCHASE ~~OR SALE~~;

5 (II) A DESCRIPTION OF THE JUNK OR SCRAP METAL,  
 6 INCLUDING ITS WEIGHT, IF PAYMENT IS BASED ON WEIGHT;

7 (III) THE AMOUNT PAID ~~OR RECEIVED~~ OR OTHER  
 8 CONSIDERATION FOR THE JUNK OR SCRAP METAL;

9 (IV) THE LICENSE TAG NUMBER, MAKE, AND MODEL OF ANY  
 10 VEHICLE USED;

11 (V) THE NAME AND ADDRESS OF THE INDIVIDUAL FROM  
 12 WHOM THE JUNK OR SCRAP METAL IS ACQUIRED;

13 ~~(VI)~~ (VI) THE SIGNATURE OF:

14 1. THE INDIVIDUAL FROM ~~OR TO~~ WHOM THE JUNK  
 15 OR SCRAP METAL IS ACQUIRED ~~OR SOLD~~; AND

16 2. THE JUNK DEALER, SCRAP METAL PROCESSOR,  
 17 OR EMPLOYEE WHO ACCEPTED ~~OR SOLD~~ THE JUNK OR SCRAP METAL; AND

18 ~~(VI)~~ (VII) FOR EACH INDIVIDUAL FROM ~~OR TO~~ WHOM THE  
 19 JUNK DEALER OR SCRAP METAL PROCESSOR ACQUIRES ~~OR SELLS~~ JUNK OR  
 20 SCRAP METAL:

21 1. ~~THE NAME, DATE OF BIRTH,~~ DATE OF BIRTH AND  
 22 DRIVER'S LICENSE NUMBER OF THE INDIVIDUAL; OR

23 2. IDENTIFICATION INFORMATION ABOUT THE  
 24 INDIVIDUAL THAT:

25 A. POSITIVELY IDENTIFIES THE INDIVIDUAL FROM  
 26 AT LEAST TWO FORMS OF IDENTIFICATION; AND

27 B. PROVIDES A PHYSICAL DESCRIPTION OF THE  
 28 INDIVIDUAL, INCLUDING THE SEX, RACE, ANY DISTINGUISHING FEATURES, AND  
 29 APPROXIMATE AGE, HEIGHT, AND WEIGHT OF THE INDIVIDUAL.

30 (2) THE RECORD KEEPING REQUIREMENTS OF THIS SUBSECTION:

- 1 (I) APPLY TO ALUMINUM BLEACHERS;
- 2 (II) APPLY TO KEGS MADE OF ALUMINUM OR ANY OTHER
- 3 METAL; AND
- 4 (III) DO NOT APPLY TO BEVERAGE CANS OR FOOD CANS.

5 (3) THE RECORDS REQUIRED UNDER THIS SUBSECTION SHALL BE

6 KEPT IN ELECTRONIC FORM.

7 (4) (I) A JUNK DEALER AND SCRAP METAL PROCESSOR SHALL

8 SUBMIT A COPY OF EACH RECORD REQUIRED UNDER THIS SUBSECTION TO THE

9 PRIMARY LAW ENFORCEMENT UNIT IN ACCORDANCE WITH SUBPARAGRAPHS (II)

10 AND (III) OF THIS PARAGRAPH.

11 (II) A JUNK DEALER AND SCRAP METAL PROCESSOR SHALL

12 SUBMIT A RECORD BY TRANSMITTING A COPY OF THE RECORDS

13 ELECTRONICALLY, IN A FORMAT ACCEPTABLE TO THE RECEIVING PRIMARY LAW

14 ENFORCEMENT UNIT, BY THE END OF EACH BUSINESS DAY.

15 (III) EACH COPY OF A RECORD, SUBMITTED TO THE PRIMARY

16 LAW ENFORCEMENT UNIT SHALL INCLUDE:

17 1. THE DATE AND TIME OF PURCHASE;

18 2. A DESCRIPTION OF THE JUNK OR SCRAP METAL,

19 INCLUDING ITS WEIGHT, IF PAYMENT IS BASED ON WEIGHT; AND

20 3. WHETHER THE AMOUNT PAID OR OTHER

21 CONSIDERATION FOR THE JUNK OR SCRAP METAL EXCEEDS \$500.

22 (IV) A COPY OF A RECORD SUBMITTED UNDER THIS

23 PARAGRAPH:

24 1. SHALL BE KEPT CONFIDENTIAL;

25 2. IS NOT A PUBLIC RECORD; AND

26 3. IS NOT SUBJECT TO TITLE 10, SUBTITLE 6 OF THE

27 STATE GOVERNMENT ARTICLE.

28 (V) A LAW ENFORCEMENT UNIT MAY DESTROY THE COPY OF

29 A RECORD SUBMITTED UNDER THIS SECTION AFTER 1 YEAR FROM THE DATE

30 THE LAW ENFORCEMENT UNIT RECEIVES THE COPY.

1           **(5) (I) THE PRIMARY LAW ENFORCEMENT UNIT MAY WAIVE**  
 2 **THE HOLDING OF ELECTRONIC RECORDS UNDER PARAGRAPH (3) OF THIS**  
 3 **SUBSECTION OR THE TRANSMISSION OF ELECTRONIC RECORDS UNDER**  
 4 **PARAGRAPH (4)(II) OF THIS SUBSECTION BY A JUNK DEALER OR SCRAP METAL**  
 5 **PROCESSOR.**

6           **(II) ANY WAIVERS GRANTED UNDER SUBPARAGRAPH (I) OF**  
 7 **THIS PARAGRAPH SHALL BE LIMITED TO AUTHORIZING A JUNK DEALER OR**  
 8 **SCRAP METAL PROCESSOR TO HOLD WRITTEN RECORDS OR TO TRANSMIT**  
 9 **RECORDS BY FACSIMILE OR BY MAIL.**

10           **(C) (1) THIS SUBSECTION APPLIES TO JUNK DEALERS AND SCRAP**  
 11 **METAL PROCESSORS WHO ARE RESIDENTS OF THE STATE.**

12           **(2) EACH JUNK DEALER OR SCRAP METAL PROCESSOR SHALL**  
 13 **KEEP THE RECORDS REQUIRED BY SUBSECTION (B) OF THIS SECTION FOR ~~3~~**  
 14 **YEARS 1 YEAR AFTER THE DATE OF THE TRANSACTION.**

15           **(3) THE RECORDS KEPT IN ACCORDANCE WITH THIS SUBSECTION**  
 16 **SHALL BE OPEN TO INSPECTION BY STATE OR LOCAL LAW ENFORCEMENT**  
 17 **PERSONNEL FOR THE JURISDICTION WHERE THE PLACE OF BUSINESS OF THE**  
 18 **JUNK DEALER OR SCRAP METAL PROCESSOR IS LOCATED.**

19           ~~**(D) (1) THIS SUBSECTION APPLIES TO JUNK DEALERS AND SCRAP**~~  
 20 ~~**METAL PROCESSORS WHO ARE NOT RESIDENTS OF THE STATE.**~~

21           ~~**(2) BEFORE TRANSPORTING JUNK OR SCRAP METAL FROM THE**~~  
 22 ~~**STATE, EACH NONRESIDENT JUNK DEALER, NONRESIDENT SCRAP METAL**~~  
 23 ~~**PROCESSOR, OR AGENT OF A NONRESIDENT JUNK DEALER OR NONRESIDENT**~~  
 24 ~~**SCRAP METAL PROCESSOR SHALL SUBMIT THE RECORDS REQUIRED BY**~~  
 25 ~~**SUBSECTION (B) OF THIS SECTION TO THE PRIMARY LAW ENFORCEMENT**~~  
 26 ~~**AGENCY OF THE COUNTY WHERE THE JUNK OR SCRAP METAL WAS PURCHASED.**~~

27           **[(c)] ~~(E)~~ (D)** A State junk licensee may not barter, buy, exchange, or accept  
 28 from a person any junk or scrap metal unless the State junk licensee keeps records  
 29 and makes entries in them in accordance with Part II of this subtitle.

30           ~~**(F) (1) IN ADDITION TO MEETING THE OTHER RECORD KEEPING**~~  
 31 ~~**REQUIREMENTS OF THIS SECTION, A JUNK DEALER OR SCRAP METAL**~~  
 32 ~~**PROCESSOR MAY NOT PURCHASE JUNK OR SCRAP METAL FROM A PERSON**~~  
 33 ~~**UNLESS THE JUNK DEALER OR SCRAP METAL PROCESSOR RECEIVES FROM THE**~~  
 34 ~~**PERSON SEEKING TO SELL THE JUNK OR SCRAP METAL DOCUMENTATION THAT**~~  
 35 ~~**ESTABLISHES THAT THE PERSON LAWFULLY POSSESSES THE JUNK OR SCRAP**~~  
 36 ~~**METAL TO BE SOLD.**~~



1           ~~(2) THE DOCUMENTATION REQUIRED UNDER THIS SUBSECTION~~  
 2 ~~MAY BE A BILL OF SALE, RECEIPT, LETTER OF AUTHORIZATION, OR OTHER~~  
 3 ~~SIMILAR EVIDENCE.~~

4           (E) (1) STATE OR LOCAL LAW ENFORCEMENT PERSONNEL  
 5 CONDUCTING AN INVESTIGATION IN THE AREA WHERE THE BUSINESS OF THE  
 6 JUNK DEALER OR SCRAP METAL PROCESSOR IS LOCATED MAY REQUEST  
 7 INFORMATION FROM THE RECORDS REQUIRED UNDER SUBSECTION (B)(1) OF  
 8 THIS SECTION.

9           (2) (I) IF A STATE OR LOCAL LAW ENFORCEMENT AGENCY  
 10 PROVIDES REASONABLE CAUSE TO BELIEVE THAT ITEMS OF SCRAP METAL IN  
 11 POSSESSION OF A JUNK DEALER OR SCRAP METAL PROCESSOR ARE STOLEN,  
 12 THEN THE LAW ENFORCEMENT AGENCY MAY ISSUE A WRITTEN HOLD NOTICE.

13                   (II) THE WRITTEN HOLD NOTICE SHALL:

14                           1. IDENTIFY THE ITEMS OF REGULATED SCRAP  
 15 METAL ALLEGED TO BE STOLEN AND SUBJECT TO HOLD; AND

16                           2. INFORM THE JUNK DEALER OR SCRAP METAL  
 17 PROCESSOR OF THE HOLD IMPOSED ON THE ITEMS OF REGULATED SCRAP  
 18 METAL.

19                   (III) FOR 10 DAYS AFTER THE DATE OF RECEIVING A HOLD  
 20 NOTICE, A JUNK DEALER OR SCRAP METAL PROCESSOR MAY NOT PROCESS OR  
 21 REMOVE FROM THE JUNK DEALER'S OR SCRAP METAL PROCESSOR'S PLACE OF  
 22 BUSINESS ANY ITEMS OF REGULATED SCRAP METAL IDENTIFIED IN THE HOLD  
 23 NOTICE, UNLESS THE ITEM IS RELEASED EARLIER BY THE LAW ENFORCEMENT  
 24 AGENCY OR BY COURT ORDER.

25           ~~(G)~~ (F)       LOCAL LAW ENFORCEMENT PERSONNEL OF THE COUNTY  
 26 WHERE THE PLACE OF BUSINESS OF THE JUNK DEALER OR SCRAP METAL  
 27 PROCESSOR IS LOCATED OR WHERE THE JUNK OR SCRAP METAL WAS  
 28 PURCHASED ~~OR SOLD~~ MAY ENFORCE THIS SECTION.

29           ~~(H)~~ (G)       A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A  
 30 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:

31                   (1) A FINE NOT EXCEEDING \$500 FOR A FIRST OFFENSE; AND

32                   (2) A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT  
 33 EXCEEDING 1 YEAR OR BOTH FOR A SUBSEQUENT OFFENSE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2008.

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.