

# SENATE BILL 99

C2

EMERGENCY BILL

01r0460  
CF 01r2236

---

By: **Senators DeGrange and Astle**

Introduced and read first time: January 14, 2010

Assigned to: Finance

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 11, 2010

---

## 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 of certain junk or scrap  
5 metal in the State; providing that certain provisions of law do not apply to  
6 certain transactions; providing for the designation of primary law enforcement  
7 units; preempting certain rights of certain counties and municipalities;  
8 superseding certain laws of certain counties and municipalities; providing for  
9 the applicability of the record keeping requirements; providing for the form and  
10 contents of the records; requiring that certain records be kept electronically;  
11 providing for the submission of certain records to certain law enforcement units  
12 under certain circumstances; providing that certain provisions may not be  
13 construed to require junk dealers and scrap metal processors to incur certain  
14 ~~additional expenses~~ financial burdens for complying with certain record  
15 submission requirements; authorizing certain law enforcement units to issue  
16 certain waivers under certain circumstances; prohibiting junk dealers and scrap  
17 metal processors from purchasing a catalytic converter except under certain  
18 circumstances; prohibiting junk dealers and scrap metal processors from  
19 purchasing cemetery urns, grave markers, and certain other items except under  
20 certain circumstances; authorizing State or local law enforcement personnel to  
21 request information from certain records under certain circumstances;  
22 authorizing a State or local law enforcement agency to issue a certain hold  
23 notice under certain circumstances; exempting certain items acquired from  
24 certain entities from certain record and reporting requirements; authorizing  
25 certain law enforcement personnel to enforce this Act; establishing certain

---

### 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 penalties; altering a certain definition; making this Act an emergency measure;  
2 and generally relating to junk dealers and scrap metal processors.

3 BY repealing and reenacting, with amendments,  
4 Article – Business Regulation  
5 Section 12–102(a), 17–1001(e), 17–1010, and 17–1011  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume and 2009 Supplement)

8 BY repealing and reenacting, without amendments,  
9 Article – Business Regulation  
10 Section 17–1001(a) and (f)  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2009 Supplement)

13 BY adding to  
14 Article – Business Regulation  
15 Section 17–1001(g) and 17–1003  
16 Annotated Code of Maryland  
17 (2004 Replacement Volume and 2009 Supplement)

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

20 **Article – Business Regulation**

21 12–102.

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

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

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

29 (3) coins or numismatic items; **OR**

30 **(4) THE PURCHASE OF JUNK OR SCRAP METAL THAT IS SUBJECT**  
31 **TO THE RECORD KEEPING AND REPORTING REQUIREMENTS UNDER § 17–1011**  
32 **OF THIS ARTICLE.**

33 17–1001.

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

1 (e) (1) "Junk" or "scrap metal" includes:

2 [(1)] (I) NONFERROUS articles made wholly or [partly]  
 3 SUBSTANTIALLY of:

- 4 [(i)] 1. aluminum;
- 5 [(ii)] 2. babbitt metal;
- 6 [(iii)] 3. brass;
- 7 [(iv)] 4. bronze;
- 8 [(v)] 5. light copper;
- 9 [(vi)] 6. heavy copper;
- 10 [(vii)] 7. lead;
- 11 [(viii)] 8. low carbon chrome;
- 12 [(ix)] 9. low carbon manganese;
- 13 [(x)] 10. molybdenum;
- 14 [(xi)] 11. monel metal;
- 15 [(xii)] 12. pewter;
- 16 [(xiii)] 13. nickel;
- 17 14. STAINLESS STEEL;
- 18 [(xiv)] 15. tin;
- 19 [(xv)] 16. vanadium; [or]
- 20 [(xvi)] 17. zinc;
- 21 ~~[(xviii)]~~ 18. PLATINUM;
- 22 ~~[(xix)]~~ 19. GOLD;
- 23 ~~[(xx)]~~ 20. RHODIUM; OR





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

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

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

6 (v) the name of any consignee.]

7 17-1011.

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

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

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

12 (ii) includes:

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

14 2. the name and address of the seller;

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

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

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

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

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

27 (2) THIS SECTION APPLIES TO AN AUTOMOTIVE DISMANTLER AND  
28 RECYCLER OR SCRAP METAL PROCESSOR LICENSED UNDER TITLE 15,  
29 SUBTITLE 5 OF THE TRANSPORTATION ARTICLE IF THE AUTOMOTIVE  
30 DISMANTLER AND RECYCLER OR SCRAP METAL PROCESSOR:

1                   **(I) CONDUCTS BUSINESS AS A LICENSED JUNK DEALER OR**  
2 **SCRAP METAL PROCESSOR;**

3                   **(II) ACQUIRES VEHICLE PARTS THAT QUALIFY AS JUNK OR**  
4 **SCRAP METAL AS DEFINED UNDER § 17-1001(E) OF THIS SUBTITLE; OR**

5                   **(III) ACQUIRES ARTICLES THAT ARE LISTED, OR MADE OF**  
6 **METALS THAT ARE LISTED, IN § 17-1001(E) OF THIS SUBTITLE.**

7                   **(3) THIS SECTION DOES NOT APPLY TO:**

8                   **(I) AN AUTOMOTIVE DISMANTLER AND RECYCLER OR**  
9 **SCRAP METAL PROCESSOR THAT ONLY ACQUIRES WHOLE VEHICLES FOR THE**  
10 **PURPOSE OF DISMANTLING, DESTROYING, OR SCRAPPING THEM FOR THE**  
11 **BENEFIT OF THEIR PARTS OR THE MATERIALS IN THEM; OR**

12                   **(II) A PERSON THAT BUYS SCRAP METAL TO USE AS RAW**  
13 **MATERIAL TO PRODUCE 1,000,000 TONS OF STEEL OR MORE IN THE STATE PER**  
14 **CALENDAR YEAR.**

15                   **(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
16 **~~SUBSECTION~~ PARAGRAPH, THE SECTION PREEMPTS THE RIGHT OF A COUNTY**  
17 **OR MUNICIPALITY TO REGULATE THE RESALE OF JUNK OR SCRAP METAL.**

18                   **(II) THIS SECTION DOES NOT LIMIT THE POWER OF A**  
19 **COUNTY OR MUNICIPALITY TO LICENSE JUNK DEALERS AND SCRAP METAL**  
20 **PROCESSORS.**

21                   **(III) THIS SECTION SUPERSEDES ANY EXISTING LAW OF A**  
22 **COUNTY OR MUNICIPALITY THAT REGULATES THE RESALE OF JUNK OR SCRAP**  
23 **METAL.**

24                   **(B) (1) FOR EACH PURCHASE OF JUNK OR SCRAP METAL IN THE**  
25 **STATE, A JUNK DEALER OR SCRAP METAL PROCESSOR SHALL KEEP AN**  
26 **ACCURATE RECORD IN ENGLISH.**

27                   **(2) THE RECORD SHALL STATE:**

28                   **(I) THE DATE AND TIME OF PURCHASE;**

29                   **(II) A DESCRIPTION OF THE JUNK OR SCRAP METAL**  
30 **PURCHASED, INCLUDING:**

1                   1.     THE TYPE AND GRADE OF THE JUNK OR SCRAP  
2 METAL; AND

3                   2.     IF PAYMENT IS BASED ON WEIGHT, THE WEIGHT  
4 OF EACH TYPE AND GRADE OF JUNK OR SCRAP METAL;

5                   (III) THE AMOUNT PAID OR OTHER CONSIDERATION FOR THE  
6 JUNK OR SCRAP METAL;

7                   (IV) THE ~~LICENSE TAG~~ REGISTRATION PLATE NUMBER,  
8 MAKE, AND MODEL OF ANY VEHICLE USED;

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

11                  (VI) THE SIGNATURE OF:

12                   1.     THE INDIVIDUAL FROM WHOM THE JUNK OR  
13 SCRAP METAL IS ACQUIRED; AND

14                   2.     THE JUNK DEALER, SCRAP METAL PROCESSOR,  
15 OR EMPLOYEE WHO ACCEPTED THE JUNK OR SCRAP METAL; AND

16                  (VII) FOR EACH INDIVIDUAL FROM WHOM THE JUNK DEALER  
17 OR SCRAP METAL PROCESSOR ACQUIRES JUNK OR SCRAP METAL:

18                   1.     THE DATE OF BIRTH AND DRIVER'S LICENSE  
19 NUMBER OF THE INDIVIDUAL; OR

20                   2.     IDENTIFICATION INFORMATION ABOUT THE  
21 INDIVIDUAL FROM A VALID STATE-ISSUED PHOTO ID THAT PROVIDES A  
22 PHYSICAL DESCRIPTION OF THE INDIVIDUAL, INCLUDING THE SEX, RACE, ANY  
23 DISTINGUISHING FEATURES, AND APPROXIMATE AGE, HEIGHT, AND WEIGHT OF  
24 THE INDIVIDUAL.

25                  (3) THE RECORDS REQUIRED UNDER THIS SUBSECTION SHALL BE  
26 KEPT IN ELECTRONIC FORM.

27                  (4) (I) SUBJECT TO SUBPARAGRAPH (IV) OF THIS PARAGRAPH,  
28 THE JUNK DEALER OR SCRAP METAL PROCESSOR SHALL SUBMIT A COPY OF  
29 EACH RECORD REQUIRED UNDER THIS PARAGRAPH TO THE PRIMARY LAW  
30 ENFORCEMENT UNIT IN ACCORDANCE WITH SUBPARAGRAPHS (II) AND (III) OF  
31 THIS PARAGRAPH.



1                   (II) A JUNK DEALER OR SCRAP METAL PROCESSOR SHALL  
2 SUBMIT A RECORD BY TRANSMITTING A COPY OF THE RECORDS  
3 ELECTRONICALLY, IN A FORMAT ACCEPTABLE TO THE RECEIVING PRIMARY LAW  
4 ENFORCEMENT UNIT, BY THE END OF ~~EACH BUSINESS DAY~~ THE FIRST BUSINESS  
5 DAY FOLLOWING THE DATE OF THE TRANSACTION.

6                   (III) EACH COPY OF A RECORD SUBMITTED TO THE PRIMARY  
7 LAW ENFORCEMENT UNIT SHALL INCLUDE:

8                   1. THE DATE AND TIME OF PURCHASE;

9                   2. A DESCRIPTION OF THE JUNK OR SCRAP METAL,  
10 INCLUDING ITS WEIGHT IF PAYMENT IS BASED ON WEIGHT; ~~AND~~

11                   3. WHETHER THE AMOUNT PAID OR OTHER  
12 CONSIDERATION FOR THE JUNK OR SCRAP METAL EXCEEDS \$500;

13                   4. THE REGISTRATION PLATE NUMBER OF ANY  
14 VEHICLE USED BY THE INDIVIDUAL FROM WHOM THE JUNK OR SCRAP METAL IS  
15 ACQUIRED;

16                   5. THE NAME AND ADDRESS OF THE INDIVIDUAL  
17 FROM WHOM THE JUNK OR SCRAP METAL IS ACQUIRED;

18                   6. THE DATE OF BIRTH AND DRIVER'S LICENSE  
19 NUMBER OF THE INDIVIDUAL FROM WHOM THE JUNK OR SCRAP METAL IS  
20 ACQUIRED; AND

21                   7. IDENTIFICATION INFORMATION ABOUT THE  
22 INDIVIDUAL FROM A VALID STATE-ISSUED PHOTO ID THAT PROVIDES A  
23 PHYSICAL DESCRIPTION OF THE INDIVIDUAL, INCLUDING THE SEX, RACE, AGE,  
24 HEIGHT, AND WEIGHT OF THE INDIVIDUAL.

25                   (IV) THE PROVISIONS OF SUBPARAGRAPHS (I), (II), AND (III)  
26 OF THIS PARAGRAPH MAY NOT BE CONSTRUED TO REQUIRE A JUNK DEALER OR  
27 SCRAP METAL PROCESSOR TO INCUR ~~ANY ADDITIONAL EXPENSE~~ A SUBSTANTIAL  
28 FINANCIAL BURDEN TO COMPLY WITH THE REQUIREMENTS OF THIS  
29 PARAGRAPH.

30                   (5) A COPY OF A RECORD SUBMITTED UNDER PARAGRAPH (4) OF  
31 THIS SUBSECTION:

32                   (I) SHALL BE KEPT CONFIDENTIAL;

1 (II) IS NOT A PUBLIC RECORD; AND

2 (III) IS NOT SUBJECT TO TITLE 10, SUBTITLE 6 OF THE  
3 STATE GOVERNMENT ARTICLE.

4 (6) THE PRIMARY LAW ENFORCEMENT UNIT MAY DESTROY THE  
5 COPY OF A RECORD SUBMITTED UNDER PARAGRAPH (4) OF THIS SUBSECTION  
6 AFTER 1 YEAR FROM THE DATE THAT THE PRIMARY LAW ENFORCEMENT UNIT  
7 RECEIVES THE COPY.

8 (7) (I) THE PRIMARY LAW ENFORCEMENT UNIT MAY WAIVE  
9 THE HOLDING OF ELECTRONIC RECORDS UNDER PARAGRAPH (3) OF THIS  
10 SUBSECTION OR THE SUBMISSION OF ELECTRONIC RECORDS UNDER  
11 PARAGRAPH (4) OF THIS SUBSECTION BY A JUNK DEALER OR SCRAP METAL  
12 PROCESSOR.

13 (II) ANY WAIVERS GRANTED UNDER SUBPARAGRAPH (I) OF  
14 THIS PARAGRAPH SHALL BE LIMITED TO AUTHORIZING A JUNK DEALER OR  
15 SCRAP METAL PROCESSOR TO:

16 1. EXTEND THE REPORTING DEADLINE UNDER  
17 PARAGRAPH ~~(5)~~ (4) OF THIS SUBSECTION FOR AN EXTRA DAY;

18 2. HOLD WRITTEN RECORDS; OR

19 3. SUBMIT RECORDS BY FACSIMILE OR BY MAIL.

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

22 (2) EACH JUNK DEALER OR SCRAP METAL PROCESSOR SHALL  
23 KEEP THE RECORDS REQUIRED BY SUBSECTION (B) OF THIS SECTION FOR 1  
24 YEAR AFTER THE DATE OF THE TRANSACTION.

25 (3) THE RECORDS KEPT IN ACCORDANCE WITH THIS SUBSECTION  
26 SHALL BE OPEN TO INSPECTION DURING BUSINESS HOURS BY STATE OR LOCAL  
27 LAW ENFORCEMENT PERSONNEL FOR AN INVESTIGATION OF A SPECIFIC CRIME  
28 INVOLVING THE MATERIALS LISTED UNDER § 17-1001(E) OF THIS SUBTITLE.

29 [(c)] (D) (1) A State junk licensee may not barter, buy, exchange, or  
30 accept from a person any junk or scrap metal unless the State junk licensee keeps  
31 records and makes entries in them in accordance with Part II of this subtitle.

1           **(2) A STATE JUNK LICENSEE MAY NOT PURCHASE A CATALYTIC**  
 2 **CONVERTER FROM AN INDIVIDUAL UNLESS THE INDIVIDUAL, AT THE TIME OF**  
 3 **PURCHASE, PROVIDES IDENTIFICATION AS:**

4                   **(I) A LICENSED AUTOMOTIVE DISMANTLER AND RECYCLER**  
 5 **OR SCRAP METAL PROCESSOR; OR**

6                   **(II) AN AGENT OR EMPLOYEE OF A LICENSED COMMERCIAL**  
 7 **ENTERPRISE.**

8           **(3) A STATE JUNK LICENSEE MAY NOT PURCHASE A CEMETERY**  
 9 **URN, GRAVE MARKER, OR ANY OTHER ITEM LISTED UNDER ~~§ 17-1001(E)(2)~~**  
 10 **§ 17-1001(E)(1)(II) OF THIS SUBTITLE FROM AN INDIVIDUAL UNLESS THE**  
 11 **INDIVIDUAL, AT THE TIME OF PURCHASE, PROVIDES APPROPRIATE**  
 12 **AUTHORIZATION FROM A RELEVANT BUSINESS OR UNIT OF FEDERAL, STATE, OR**  
 13 **LOCAL GOVERNMENT SPECIFICALLY AUTHORIZING THE INDIVIDUAL TO**  
 14 **CONDUCT THE TRANSACTION.**

15           **(E) STATE OR LOCAL LAW ENFORCEMENT PERSONNEL MAY REQUEST**  
 16 **INFORMATION FROM THE RECORDS REQUIRED UNDER SUBSECTION (B) OF THIS**  
 17 **SECTION PURSUANT TO AN INVESTIGATION OF A SPECIFIC CRIME INVOLVING**  
 18 **THE MATERIALS LISTED UNDER § 17-1001(E) OF THIS SUBTITLE.**

19           **(F) THE RECORD AND REPORTING REQUIREMENTS OF SUBSECTION (B)**  
 20 **OF THIS SECTION DO NOT APPLY TO AN ITEM THAT IS ACQUIRED FROM:**

21                   **(1) A LICENSED JUNK DEALER OR SCRAP METAL PROCESSOR;**

22                   **(2) A UNIT OF FEDERAL, STATE, OR LOCAL GOVERNMENT; OR**

23                   **(3) A COMMERCIAL ENTERPRISE WITH WHOM THE JUNK DEALER**  
 24 **OR SCRAP METAL PROCESSOR HAS ~~ESTABLISHED A DOCUMENTED ACCOUNT OR~~**  
 25 **~~BUSINESS RELATIONSHIP~~ ENTERED A WRITTEN CONTRACT.**

26                   ~~(4)~~ ~~(H)~~ ~~(G)~~   **(1) IF A STATE OR LOCAL LAW ENFORCEMENT**  
 27 **AGENCY HAS REASONABLE CAUSE TO BELIEVE THAT JUNK OR SCRAP METAL**  
 28 **THAT IS IN THE POSSESSION OF A JUNK DEALER OR SCRAP METAL PROCESSOR**  
 29 **IS STOLEN, THE LAW ENFORCEMENT AGENCY MAY ISSUE A WRITTEN HOLD**  
 30 **NOTICE.**

31                   ~~(H)~~ **(2) THE WRITTEN HOLD NOTICE SHALL:**

32                           ~~1~~ **(1) IDENTIFY THE ITEMS OF JUNK OR SCRAP METAL**  
 33 **ALLEGED TO BE STOLEN AND SUBJECT TO HOLD;**

1                   ~~2.~~ (II) INFORM THE JUNK DEALER OR SCRAP METAL  
2 PROCESSOR OF THE HOLD IMPOSED ON THE ITEMS OF JUNK OR SCRAP METAL;  
3 AND

4                   ~~3.~~ (III)       SPECIFY THE TIME PERIOD FOR THE HOLD,  
5 NOT TO EXCEED 15 DAYS.

6                   ~~(III)~~ (3)       ON RECEIPT OF A WRITTEN HOLD NOTICE FROM A  
7 LAW ENFORCEMENT AGENCY, A JUNK DEALER OR SCRAP METAL PROCESSOR  
8 MAY NOT PROCESS OR REMOVE FROM THE JUNK DEALER'S OR SCRAP METAL  
9 PROCESSOR'S PLACE OF BUSINESS BEFORE THE END OF THE HOLD PERIOD ANY  
10 ITEMS OF JUNK OR SCRAP METAL IDENTIFIED IN THE HOLD NOTICE, UNLESS  
11 THE ITEM IS RELEASED BY THE LAW ENFORCEMENT AGENCY OR BY COURT  
12 ORDER.

13                  ~~(G)~~ (H)       LOCAL LAW ENFORCEMENT PERSONNEL OF THE COUNTY  
14 WHERE THE PLACE OF BUSINESS OF THE JUNK DEALER OR SCRAP METAL  
15 PROCESSOR IS LOCATED OR WHERE THE JUNK OR SCRAP METAL WAS  
16 PURCHASED MAY ENFORCE THIS SECTION.

17                  ~~(H)~~ (I)       A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A  
18 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:

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

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

22                  SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
23 measure, is necessary for the immediate preservation of the public health or safety,  
24 has been passed by a yea and nay vote supported by three-fifths of all the members  
25 elected to each of the two Houses of the General Assembly, and shall take effect from  
26 the date it is enacted.

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.