

# HOUSE BILL 203

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By: **Chair, Economic Matters Committee (By Request – Departmental – State Police)**

Introduced and read first time: January 28, 2011

Assigned to: Economic Matters

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Committee Report: Favorable

House action: Adopted

Read second time: March 16, 2011

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

1 AN ACT concerning

2 **Junk Dealers and Scrap Metal Processors – State Licensing Laws –**  
3 **Applicability and Exemptions**

4 FOR the purpose of repealing a provision exempting certain counties from certain  
5 State licensing laws on junk dealers and scrap metal processors; exempting  
6 certain licensed secondhand precious metal object dealers and pawnbrokers  
7 from the scope of certain State licensing laws on junk dealers and scrap metal  
8 processors; clarifying certain prohibited acts relating to junk dealers and scrap  
9 metal processors; repealing certain licensing provisions for Calvert County junk  
10 dealers and scrap metal processors; altering a certain definition; making  
11 clarifying and stylistic changes; and generally relating to the applicability of  
12 and exemptions from State licensing laws on junk dealers and scrap metal  
13 processors.

14 BY repealing and reenacting, without amendments,  
15 Article – Business Regulation  
16 Section 17–1001(a) and 17–1012(a)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2010 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – Business Regulation  
21 Section 17–1001(f), 17–1002, 17–1011(a) and (d), and 17–1012(b)  
22 Annotated Code of Maryland

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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 (2010 Replacement Volume and 2010 Supplement)

2 BY repealing

3 Article – Business Regulation

4 Section 17–1015 through 17–1024

5 Annotated Code of Maryland

6 (2010 Replacement Volume and 2010 Supplement)

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

9 **Article – Business Regulation**

10 17–1001.

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

12 (f) **(1)** “Junk dealer” or “scrap metal processor” means a person who does  
13 business buying or selling junk or scrap metal.

14 **(2) “JUNK DEALER” OR “SCRAP METAL PROCESSOR” DOES NOT**  
15 **INCLUDE A DEALER OR PAWNBROKER LICENSED UNDER TITLE 12 OF THIS**  
16 **ARTICLE.**

17 17–1002.

18 [(a) Except as otherwise provided in this subtitle, this subtitle does not apply  
19 in Baltimore City or Anne Arundel, Baltimore, Caroline, Carroll, Dorchester, Kent,  
20 Somerset, Washington, and Worcester counties.

21 (b) **(1)] (A)** This subtitle does not apply to:

22 **(1) A DEALER OR PAWNBROKER LICENSED UNDER TITLE 12 OF**  
23 **THIS ARTICLE;**

24 [(i) **(2)** a person doing business other than junk business or  
25 scrap metal business whenever the person:

26 [1.] **(I)** buys or transports junk or scrap metal used in  
27 the operation of the business; or

28 [2.] **(II)** transports, for disposal or sale, junk or scrap  
29 metal accumulated by the business to dispose of or sell the junk or scrap metal; or

30 [(ii) **(3)** a vehicle that a common carrier uses to transport junk  
31 or scrap metal in the business of the common carrier.

1            ~~[(2)]~~ **(B)**        Except as provided in § 17–1012 of this subtitle, this subtitle  
2 does not apply to antique dealers.

3 17–1011.

4            (a)    (1)    This section applies to all junk dealers and scrap metal processors  
5 doing business in the State, including nonresident junk dealers[, ] **AND** nonresident  
6 scrap metal processors[, and junk dealers and scrap metal processors who are  
7 residents of the counties listed in § 17–1002(a) of this subtitle].

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

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

13                            (ii)   acquires vehicle parts that qualify as junk or scrap metal as  
14 defined under § 17–1001(e) of this subtitle; or

15                            (iii)  acquires articles that are listed, or made of metals that are  
16 listed, in § 17–1001(e) of this subtitle.

17            (3)    This section does not apply to:

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

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

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

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

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

30            (d)    (1)    A [State junk licensee] **JUNK DEALER OR SCRAP METAL**  
31 **PROCESSOR** may not barter, buy, exchange, or accept from a person any junk or scrap  
32 metal unless the [State junk licensee] **JUNK DEALER OR SCRAP METAL PROCESSOR**  
33 keeps records and makes entries in them in accordance with Part II of this subtitle.

1           (2) A [State junk licensee] **JUNK DEALER OR SCRAP METAL**  
2 **PROCESSOR** may not purchase a catalytic converter from an individual unless the  
3 individual, at the time of purchase, provides identification as:

4                   (i) a licensed automotive dismantler and recycler or scrap metal  
5 processor; or

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

7           (3) A [State junk licensee] **JUNK DEALER OR SCRAP METAL**  
8 **PROCESSOR** may not purchase a cemetery urn, grave marker, or any other item listed  
9 under § 17–1001(e)(1)(ii) of this subtitle from an individual unless the individual, at  
10 the time of purchase, provides appropriate authorization from a relevant business or  
11 unit of federal, State, or local government specifically authorizing the individual to  
12 conduct the transaction.

13 17–1012.

14           (a) In this section, “historic marker or plaque” means a marker, plaque, or  
15 tablet commemorating an historic person or event, or identifying an historic place,  
16 structure, or object.

17           (b) This section applies to all junk dealers, scrap metal processors, and  
18 antique dealers who are residents of the State[, including junk dealers, scrap metal  
19 processors, and antique dealers who are residents of the counties listed in §  
20 17–1002(a) of this subtitle].

21 [17–1015.

22           In Part III of this subtitle, “Calvert County junk dealer or scrap metal processor  
23 license” means a license issued by the clerk to do business as a junk dealer or scrap  
24 metal processor in Calvert County.]

25 [17–1016.

26           Part III of this subtitle applies only in Calvert County.]

27 [17–1017.

28           A person must have a Calvert County junk dealer or scrap metal processor  
29 license whenever the person does business as a junk dealer or scrap metal processor in  
30 Calvert County.]

31 [17–1018.

1 An applicant for a Calvert County junk dealer or scrap metal processor license  
2 shall:

3 (1) state to the clerk the applicant's name and address and the  
4 registration number of any motor vehicle used in the applicant's business; and

5 (2) pay to the clerk a license fee of \$25.]

6 [17-1019.

7 A Calvert County junk dealer or scrap metal processor license expires on the  
8 first anniversary of its effective date.]

9 [17-1020.

10 Each junk dealer or scrap metal processor shall notify the clerk of any change of  
11 address or of motor vehicle registration number.]

12 [17-1021.

13 If a Calvert County junk dealer or scrap metal processor licensee buys or sells  
14 any stolen goods and transports them by motor vehicle, the owner of the motor vehicle  
15 used to transport the goods is liable equally with the Calvert County junk dealer or  
16 scrap metal processor licensee.]

17 [17-1022.

18 (a) Each month by the 10th day of the month each Calvert County junk  
19 dealer or scrap metal processor licensee shall submit to the Office of the Sheriff of  
20 Calvert County a report that:

21 (1) is on the form that the Sheriff requires;

22 (2) is signed and dated by the Calvert County junk dealer or scrap  
23 metal processor licensee; and

24 (3) includes:

25 (i) a list of the items of junk or scrap metal bought or sold  
26 during the preceding month;

27 (ii) the name and address of the seller or buyer of the junk or  
28 scrap metal; and

29 (iii) the date of the transaction.

1 (b) A person who fails to submit the report required by this section is guilty  
2 of a misdemeanor and, on conviction, is subject to a fine not exceeding \$25.]

3 [17-1023.

4 (a) A junk dealer or scrap metal processor in Calvert County may not buy  
5 junk or scrap metal from a minor unless the junk dealer or scrap metal processor first  
6 gets permission, signed by the minor's parent or guardian, authorizing the minor to  
7 sell junk or scrap metal to the junk dealer or scrap metal processor.

8 (b) A person who violates this section is guilty of a misdemeanor and, on  
9 conviction, is subject to a fine not exceeding \$30 for each offense.]

10 [17-1024.

11 Except as otherwise specifically provided in Part III of this subtitle, a person  
12 who violates Part III of this subtitle is guilty of a misdemeanor and, on conviction, is  
13 subject to a fine not exceeding \$100.]

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2011.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.