

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 1124

(Senator DeGrange)

Finance

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**Scrap Metal Processor - Purchase of Scrap Metal - Hours of Operation**

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This bill restricts the times during which a “scrap metal processor” may purchase scrap metal to between 7 a.m. and 5 p.m., Monday through Saturday, unless the scrap metal processor pays by check, in which case there is no restriction based on time or day. “Scrap metal processor” means a person who holds a junk dealer or scrap metal processor license issued under current law.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

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

**Small Business Effect:** Potential minimal. Junk dealers and scrap metal processors are generally small businesses. It is more likely that these businesses purchase scrap metal by check rather than be limited to the times specified in the bill for noncheck purchases. These businesses are affected to the extent that they do not currently purchase scrap metal by check and, therefore, incur additional transaction and/or recordkeeping costs.

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**Analysis**

**Current Law/Background:** 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.

There is no State law prescribing the times during which a junk dealer or scrap metal processor may purchase scrap metal. Generally, for each purchase of junk or scrap metal in the State, a junk dealer or scrap metal processor must keep an accurate 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 local law enforcement by the end of the first business day following the date of the transaction.

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. The Judiciary advises that 303 junk dealer and scrap metal processor licenses were issued to businesses in fiscal 2015.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Department of State Police, Maryland Department of Transportation, Kent and Worcester counties, Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 2016  
mel/mcr

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