

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1201 (Delegate Kelly, *et al.*)
Economic Matters

Business Regulation - Junk Dealers and Scrap Metal Processors - Required Records

This bill expands the amount of information that must be recorded by a junk dealer or scrap metal processor, regardless of jurisdiction, and requires this information to be submitted to law enforcement, rather than retained on premises. The bill applies to all junk dealers and scrap metal processors in the State, including those generally exempted from statewide licensing and recordkeeping requirements.

Fiscal Summary

State Effect: Potential operational impact in counties that have designated the Department of State Police as the primary law enforcement unit for the jurisdiction.

Local Effect: Potential minimal increases in expenditures related to submission and retention of records. Revenues would not be affected.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: This bill requires all resident junk dealers and scrap metal processors in the State to record the date, time, and place of each transaction and the name and address of the principal, if the transaction is by an agent. The record must include the price paid for the junk or scrap metal and a description of the item, including weight, type, manufacturer, color, size, alterations, or any identifying marks. The record must also include certain information that identifies the seller and the license tag number of his or

her vehicle. If the parties are known to each other, this information must be included in the record. The signatures of both parties are required.

A junk dealer or scrap metal processor is required to submit each record to the primary law enforcement unit in that jurisdiction by the end of the business day following a transaction. Each record must include the license number of the junk dealer or scrap metal processor, the location of each item in the record, as well as all other required information regarding the transaction.

All records submitted are confidential and not considered part of the public record. A primary law enforcement unit may destroy records after one year.

Current Law: A person must have a local junk dealer or scrap metal processor license when doing business in the State. A person must have an agent license if buying or selling on behalf of a junk dealer or scrap metal processor. An applicant for a license must certify the name and business address to the clerk of the circuit court for the county with jurisdiction, and pay the required license and issuing fee.

Each junk dealer or scrap metal processor who is a resident of the State is required to keep a written record in English made at the time of purchase that includes a description of the item, the name and address of the buyer and seller, the license tag of any vehicle used, and the date and time of the purchase. Records must be open to inspection by State or local law enforcement personnel at the place of business.

Nonresident junk dealers, scrap metal processors, or their agents are required to register all items in the county of purchase before transporting the item from the State. A description of the item must include the date of purchase; the license number of the buyer and seller, if applicable; the license tag number of the vehicle used; and the name of any consignee.

A person who violates law relating to junk dealers and scrap metal processors is guilty of a misdemeanor and is subject to a fine of \$500 for each offense.

All these provisions do not generally apply in Baltimore City or Anne Arundel, Baltimore, Caroline, Carroll, Dorchester, Kent, Somerset, Washington, or Worcester counties.

State Expenditures: Licensing of junk dealers and scrap metal processors is not a State function; however, State expenditures would increase for those counties or municipal corporations that designate the Department of State Police as the primary law enforcement unit for that jurisdiction. The State Police currently provides primary law

enforcement in Carroll County through the Resident Trooper Program. Calvert and Frederick counties participate in the program to a lesser extent. Even so, it is anticipated that administrative requirements could be handled with existing resources.

Local Expenditures: Local jurisdictions that are not currently subject to statewide licensing requirements could experience minimal increases in expenditures related to submission and retention of records. However, the local governments contacted for this fiscal note reported that the bill's requirements would require no additional expenditures or could be handled with existing resources.

Small Business Effect: Junk dealers and scrap metal processors would be subject to additional reporting requirements. In addition, they would be required to submit all records to law enforcement. The impact of the bill on small business would vary depending on the extent of current regulation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County; Prince George's County; Somerset County; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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