

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 897

(Senator Dyson)

Finance

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**Junk Dealers and Scrap Metal Processors - Required Records and Hold Period**

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This bill requires junk dealers and scrap metal processors to hold any acquired items of junk or scrap for three business days after reporting the acquisition to law enforcement. The bill also requires these persons to take a digital photograph of the individual from whom an item of junk or scrap metal was acquired; the photograph must be submitted to law enforcement with other records required by State law.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues due to expanded imposition of existing penalty provisions. Any increase in the workload of the District Court cannot be estimated but is expected to be minimal and absorbable within existing resources.

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

**Small Business Effect:** Minimal, given that all junk dealers and scrap metal processors are subject to the hold period and expanded recordkeeping requirements.

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**Analysis**

**Current Law:** Chapters 198 and 199 of 2010 modified the definition of junk and scrap metal and altered recordkeeping requirements for junk dealers and scrap metal processors that operate in the State.

In general, junk dealers and scrap metal processors must record each purchase of a qualifying junk or scrap metal item. The record must include a variety of information as specified in State law. Each record must be kept in electronic form and must be transmitted to a specified law enforcement agency by the end of the business day following the date of the transaction.

Each copy of a record submitted to law enforcement must include the date and time of purchase, a description of the junk or scrap metal, and whether the amount paid for the item exceeds \$500. Dealers must also submit a variety of information about the seller of the junk or scrap metal item, including the seller's license plate number, the name and address of the seller, the date of birth and driver's license number of the seller, identifying information about the seller from a State-issued identification document, and an electronic copy of the identification document.

If a law enforcement agency has reason to believe that an item obtained by a junk or scrap dealer is stolen, the agency is authorized to issue a written hold notice after providing reasonable cause to believe that the junk dealer or scrap metal processor is in possession of stolen items. The identified item may not be moved from the place of business unless authorized by law enforcement or court order. Notices must specify a time period for the hold; the hold time may not exceed 15 days.

A person who violates these provisions is guilty of a misdemeanor and subject to a fine of up to \$500 for a first offense and a fine of up to \$5,000 and/or imprisonment for up to one year for subsequent offenses.

**Background:** The State uses the Regional Automated Property Information Database (RAPID) system to transmit acquisition information from various secondhand dealers, including junk or scrap metal dealers, to law enforcement through an Internet interface. RAPID enables police departments statewide to immediately gain access to timely information about property that has been sold to secondhand dealers. According to the Department of State Police, law enforcement units in Maryland recovered more than \$5 million in stolen property in 2010, the first full year RAPID was active.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore, Charles, Frederick, and Montgomery counties; Judiciary (Administrative Office of the Courts); Department of State Police; Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2011  
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