

# HOUSE BILL 557

E1

5lr0799

---

By: **Delegates Carter, Anderson, Carr, Glenn, B. Robinson, and Rosenberg**

Introduced and read first time: February 11, 2015

Assigned to: Economic Matters

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Junk Dealers and Scrap Metal Processors – Wheeled Devices and Metal Piping**

3 FOR the purpose of prohibiting a junk dealer or scrap metal processor from purchasing  
4 from an individual a shopping cart, flatbed cart, similar wheeled device, or certain  
5 metal piping under certain circumstances; providing for certain penalties;  
6 authorizing the suspension or revocation of the license of a junk dealer or scrap metal  
7 processor under certain circumstances; making a stylistic change; and generally  
8 relating to junk dealers and scrap metal processors.

9 BY repealing and reenacting, with amendments,

10 Article – Business Regulation

11 Section 17–1011

12 Annotated Code of Maryland

13 (2010 Replacement Volume and 2014 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Business Regulation**

17 17–1011.

18 (a) (1) This section applies to all junk dealers and scrap metal processors doing  
19 business in the State, including nonresident junk dealers and nonresident scrap metal  
20 processors.

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

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) conducts business as a licensed junk dealer or scrap metal  
2 processor;

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

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

7 (3) This section does not apply to:

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

11 (ii) a person that buys scrap metal to use as raw material to produce  
12 1,000,000 tons of steel or more in the State per calendar year.

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

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

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

20 (b) (1) For each purchase of junk or scrap metal in the State, a junk dealer or  
21 scrap metal processor shall keep an accurate record in English.

22 (2) The record shall state:

23 (i) the date and time of purchase;

24 (ii) a description of the junk or scrap metal purchased, including:

25 1. the type and grade of the junk or scrap metal; and

26 2. if payment is based on weight, the weight of each type and  
27 grade of junk or scrap metal;

28 (iii) the amount paid or other consideration for the junk or scrap  
29 metal;

30 (iv) the registration plate number, make, and model of any vehicle  
31 used;

1 (v) the name and address of the individual from whom the junk or  
2 scrap metal is acquired;

3 (vi) the signature of:

4 1. the individual from whom the junk or scrap metal is  
5 acquired; and

6 2. the junk dealer, scrap metal processor, or employee who  
7 accepted the junk or scrap metal; and

8 (vii) for each individual from whom the junk dealer or scrap metal  
9 processor acquires junk or scrap metal:

10 1. the date of birth and driver's license number of the  
11 individual; or

12 2. identification information about the individual from a  
13 valid State-issued photo ID that provides a physical description of the individual, including  
14 the sex, race, any distinguishing features, and approximate age, height, and weight of the  
15 individual.

16 (3) The records required under this subsection shall be kept in electronic  
17 form.

18 (4) (i) Subject to subparagraph (iv) of this paragraph, the junk dealer  
19 or scrap metal processor shall submit a copy of each record required under this paragraph  
20 to the primary law enforcement unit in accordance with subparagraphs (ii) and (iii) of this  
21 paragraph.

22 (ii) A junk dealer or scrap metal processor shall submit a record by  
23 transmitting a copy of the records electronically, in a format acceptable to the receiving  
24 primary law enforcement unit, by the end of the first business day following the date of the  
25 transaction.

26 (iii) Each copy of a record submitted to the primary law enforcement  
27 unit shall include:

28 1. the date and time of purchase;

29 2. a description of the junk or scrap metal, including its  
30 weight if payment is based on weight;

31 3. whether the amount paid or other consideration for the  
32 junk or scrap metal exceeds \$500;

## HOUSE BILL 557

1                   4.     the registration plate number of any vehicle used by the  
2 individual from whom the junk or scrap metal is acquired;

3                   5.     the name and address of the individual from whom the  
4 junk or scrap metal is acquired;

5                   6.     the date of birth and driver's license number of the  
6 individual from whom the junk or scrap metal is acquired;

7                   7.     identification information about the individual from a  
8 valid State-issued photo ID that provides a physical description of the individual, including  
9 the sex, race, age, height, and weight of the individual; and

10                  8.     an electronic scan or photocopy of the valid  
11 State-issued photo ID under item 7 of this subparagraph.

12                  (iv)   The provisions of subparagraphs (i), (ii), and (iii) of this  
13 paragraph may not be construed to require a junk dealer or scrap metal processor to incur  
14 a substantial financial burden to comply with the requirements of this paragraph.

15                  (5)   A copy of a record submitted under paragraph (4) of this subsection:

16                   (i)   shall be kept confidential;

17                   (ii)  is not a public record; and

18                   (iii) is not subject to Title 4 of the General Provisions Article.

19                  (6)   The primary law enforcement unit may destroy the copy of a record  
20 submitted under paragraph (4) of this subsection after 1 year from the date that the  
21 primary law enforcement unit receives the copy.

22                  (7)   (i)   The primary law enforcement unit may waive the holding of  
23 electronic records under paragraph (3) of this subsection or the submission of electronic  
24 records under paragraph (4) of this subsection by a junk dealer or scrap metal processor.

25                   (ii)  Any waivers granted under subparagraph (i) of this paragraph  
26 shall be limited to authorizing a junk dealer or scrap metal processor to:

27                   1.     extend the reporting deadline under paragraph (4) of this  
28 subsection for an extra day;

29                   2.     hold written records; or

30                   3.     submit records by facsimile or by mail.

1 (c) (1) This subsection applies to junk dealers and scrap metal processors who  
2 are residents of the State.

3 (2) Each junk dealer or scrap metal processor shall keep the records  
4 required by subsection (b) of this section for 1 year after the date of the transaction.

5 (3) The records kept in accordance with this subsection shall be open to  
6 inspection during business hours by State or local law enforcement personnel for an  
7 investigation of a specific crime involving the materials listed under § 17-1001(e) of this  
8 subtitle.

9 (d) (1) A junk dealer or scrap metal processor may not barter, buy, exchange,  
10 or accept from a person any junk or scrap metal unless the junk dealer or scrap metal  
11 processor keeps records and makes entries in them in accordance with Part II of this  
12 subtitle.

13 (2) A junk dealer or scrap metal processor may not purchase a catalytic  
14 converter from an individual unless the individual, at the time of purchase, provides  
15 identification as:

16 (i) a licensed automotive dismantler and recycler or scrap metal  
17 processor; or

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

19 (3) A junk dealer or scrap metal processor may not purchase **FROM AN**  
20 **INDIVIDUAL:**

21 **(I)** a cemetery urn, grave marker, or any other item listed under §  
22 17-1001(e)(1)(ii) of this subtitle [from an individual], unless the individual, at the time of  
23 purchase, provides appropriate authorization from a relevant business or unit of federal,  
24 State, or local government specifically authorizing the individual to conduct the  
25 transaction;

26 **(II)** **A SHOPPING CART, FLATBED CART, OR SIMILAR WHEELED**  
27 **DEVICE THAT IS USED TO TRANSPORT PURCHASED MATERIALS FROM A BUSINESS**  
28 **AND THAT IS IDENTIFIABLE AS THE PROPERTY OF A BUSINESS, UNLESS THE**  
29 **INDIVIDUAL, AT THE TIME OF PURCHASE, PROVIDES APPROPRIATE AUTHORIZATION**  
30 **FROM A REPRESENTATIVE OF THE BUSINESS TO CONDUCT THE TRANSACTION; OR**

31 **(III)** **COPPER OR OTHER METAL PIPING UNLAWFULLY TAKEN**  
32 **FROM A HOUSE.**

33 (e) State or local law enforcement personnel may request information from the  
34 records required under subsection (b) of this section pursuant to an investigation of a  
35 specific crime involving the materials listed under § 17-1001(e) of this subtitle.

1 (f) (1) The record and reporting requirements of subsection (b) of this section  
2 do not apply to an item that is acquired from:

3 (i) a licensed junk dealer or scrap metal processor;

4 (ii) a unit of federal, State, or local government; or

5 (iii) a commercial enterprise with a valid business license that has  
6 entered into a written contract with a junk dealer or scrap metal processor who has  
7 provided to the primary law enforcement unit:

8 1. the name and business address of the commercial  
9 enterprise; and

10 2. the type of junk or scrap metal subject to the contract.

11 (2) (i) Subject to subparagraph (ii) of this paragraph, a contract under  
12 paragraph (1)(iii) of this subsection shall be open to inspection by a local law enforcement  
13 agency on the premises of the junk dealer or scrap metal processor during business hours.

14 (ii) Notwithstanding any other law, a contract open to inspection by  
15 a local law enforcement agency under subparagraph (i) of this paragraph may not be open  
16 for public inspection without the consent of the junk dealer or scrap metal processor.

17 (g) (1) If a State or local law enforcement agency has reasonable cause to  
18 believe that junk or scrap metal that is in the possession of a junk dealer or scrap metal  
19 processor is stolen, the law enforcement agency may issue a written hold notice.

20 (2) The written hold notice shall:

21 (i) identify the items of junk or scrap metal alleged to be stolen and  
22 subject to hold;

23 (ii) inform the junk dealer or scrap metal processor of the hold  
24 imposed on the items of junk or scrap metal; and

25 (iii) specify the time period for the hold, not to exceed 15 days.

26 (3) On receipt of a written hold notice from a law enforcement agency, a  
27 junk dealer or scrap metal processor may not process or remove from the junk dealer's or  
28 scrap metal processor's place of business before the end of the hold period any items of junk  
29 or scrap metal identified in the hold notice, unless the item is released by the law  
30 enforcement agency or by court order.

1 (h) Local law enforcement personnel of the county where the place of business of  
2 the junk dealer or scrap metal processor is located or where the junk or scrap metal was  
3 purchased may enforce this section.

4 (i) **(1)** A person who violates this section is guilty of a misdemeanor and on  
5 conviction is subject to:

6 **[(1)] (I)** a fine not exceeding \$500 for a first offense; and

7 **[(2)] (II)** a fine not exceeding \$5,000 or imprisonment not exceeding 1 year  
8 or both for a subsequent offense.

9 **(2) THE LICENSE OF A JUNK DEALER OR SCRAP METAL PROCESSOR**  
10 **MAY BE SUSPENDED OR REVOKED IF THE JUNK DEALER OR SCRAP METAL**  
11 **PROCESSOR IS CONVICTED OF VIOLATING SUBSECTION (D)(3)(II) OF THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
13 October 1, 2015.