

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 557 (Delegate Carter, *et al.*)
Economic Matters

Junk Dealers and Scrap Metal Processors - Wheeled Devices and Metal Piping

This bill prohibits a junk dealer or scrap metal processor from purchasing from an individual (1) a shopping cart, flatbed cart, or similar wheeled device that is identifiable as the property of a business unless the individual, at the time of purchase, provides appropriate authorization from a representative of the business to conduct the transaction or (2) copper or other metal piping unlawfully taken from a house. The license of a junk dealer or scrap metal processor may be suspended or revoked if the junk dealer or scrap metal processor is convicted of violating the prohibition against purchasing a shopping cart, flatbed cart, or similar wheeled device.

Fiscal Summary

State Effect: The application of existing penalties is not anticipated to materially affect State finances.

Local Effect: The application of existing penalties is not anticipated to materially affect local government finances.

Small Business Effect: Minimal. The businesses affected by the bill are generally small businesses. The bill has a minimal negative impact on these businesses as it prohibits them from purchasing certain metallic items.

Analysis

Current Law: In general, a resident or nonresident person must have a junk dealer or scrap metal processor license whenever the person does business as a junk dealer or scrap metal processor 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.

All junk dealers and scrap metal processors, including specified automotive dismantlers, recyclers, and scrap processors who obtain only vehicle parts but not whole vehicles, must keep records of specific identifying information for one year following a transaction, subject to review by State and local law enforcement as part of an investigation of a specific crime. All transaction records must be submitted electronically to the primary law enforcement unit by the end of the first business day following the date of the transaction. Each record submitted to the law enforcement unit must include (1) the date and time of purchase; (2) a description of the items and their weight, if applicable; (3) whether the amount paid for the items exceeds \$500; (4) the registration plate number of the seller's vehicle; (5) the name, address, driver's license number, date of birth, and physical description of the seller; and (6) an electronic scan or photocopy of the seller's State-issued identification card.

If a law enforcement agency has reason to believe that an item obtained by a junk dealer or scrap metal processor 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 the recordkeeping and reporting requirements is guilty of 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 subsequent offenses.

Theft of Shopping Carts

State law prohibits a person from (1) removing a wheeled cart or other similar device provided for the purpose of assembling or carrying purchased materials from a grocery store, store, or market, including its parking facilities, without the permission of the owner or agent of the owner; (2) damaging any such cart or device; or (3) abandoning such a cart or device on the streets or alleys of the State. Violators are guilty of a misdemeanor, punishable by a fine of up to \$25 for each violation.

Under the theft statutes, a person convicted of theft of property or services valued at less than \$100 is guilty of a misdemeanor and is subject to a maximum penalty of a \$500 fine and/or 90 days imprisonment. A person convicted of theft of property with a value of less than \$1,000 is guilty of a misdemeanor and subject to a maximum penalty of a \$500 fine and/or 18 months imprisonment.

Background: High demand for metals such as copper and aluminum tend to encourage metal theft in the United States. The price of copper increased from \$0.65 per pound in 2001 to more than \$4.00 per pound by July 2008. The price has generally remained at or above \$3.00 per pound since 2010, but has declined in recent months and is currently below \$2.75. The premium on copper has been linked to theft of catalytic converters, cemetery markers and memorial plaques, and copper wiring from utility property. Approximately 694,000 tons of scrap metal were recycled in Maryland in 2012.

Additional Information

Prior Introductions: HB 1144 of 2013, a similar bill, received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

Information Source(s): Department of State Police; Maryland Department of Transportation; Governor's Office of Crime Control and Prevention; Department of Labor, Licensing, and Regulation; Baltimore, Carroll, Montgomery, Queen Anne's, and St. Mary's counties; Department of Legislative Services

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