

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 1269 (Delegate Beidle)
Rules and Executive Nominations

Maryland Salvage Advertising Act

This bill prohibits a person from advertising for the purchase, towing, or removal of junk or scrap metal unless the person is licensed as a junk dealer or scrap metal processor in the State. Any advertisement for the purchase, towing, or removal of junk or scrap metal must include the license number of the licensee. A person who advertises without including the license number is subject to a maximum civil fine of \$500 for a first offense and \$1,000 for each subsequent offense. Identical civil fines are also added for advertisements for the purchase, towing, or removal of junk or abandoned vehicles by a person licensed as an automotive dismantler and recycler or a scrap processor (the license number requirement already exists in current law).

Fiscal Summary

State Effect: The civil penalty provisions of the bill do not have a material effect on State finances or operations.

Local Effect: Local revenues may increase minimally from additional licenses issued to junk dealers and scrap metal processors. Expenditures are not materially affected.

Small Business Effect: Minimal. A limited number of individuals may need to become licensed as a junk dealer or scrap metal processor due to the bill. The fee is \$10 for State residents and \$100 for nonresidents.

Analysis

Current Law:

Junk Dealers and Scrap Metal Processors

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.

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.

Automotive Dismantlers and Scrap Processors

Generally, a person may not conduct the business of an automotive dismantler and recycler or a scrap processor, or engage in the business of acquiring or offering to purchase or remove vehicles which are to be dismantled in whole or in part by that person for the sale of usable parts, unless the person is licensed by the Motor Vehicle Administration (MVA). An automotive dismantler and recycler is a person in the business of (1) dismantling, destroying, or scrapping any vehicle for the purpose of reselling any of its usable parts or (2) otherwise acquiring vehicles for the benefit of their parts or the materials in them. A scrap processor is a person in a business (1) that has facilities for processing iron, steel, and nonferrous scrap metal and (2) the principal product of which is scrap iron, scrap steel, and nonferrous scrap for sale only for resmelting purposes.

A person may not advertise for the purchase, towing, or removal of junk or abandoned vehicles unless the person is licensed by MVA, and any such advertisement must include the license number of the licensee.

MVA has authority to take actions against the license of an automotive dismantler and recycler or scrap processor including revocation, suspension, or refusal to renew the license. Generally, a violation of the laws related to automotive dismantlers and recyclers or scrap processors is subject to a maximum penalty of a \$1,000 fine, per offense.

Additional Information

Prior Introductions: None.

Cross File: SB 917 (Senator DeGrange) - Finance.

Information Source(s): Department of State Police; Judiciary (Administrative Office of the Courts); Maryland Department of Transportation; Baltimore, Charles, Frederick, and Montgomery counties; cities of Frederick and Havre de Grace; Department of Legislative Services

Fiscal Note History: First Reader - March 31, 2015
min/mcr

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