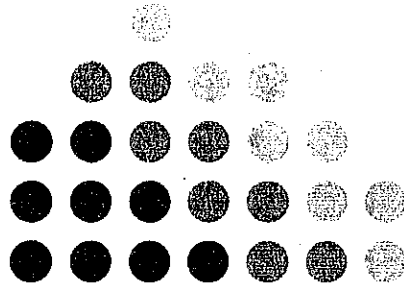


Maryland Association of Counties

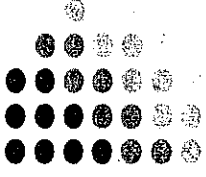
Summer Conference

Ocean City Maryland

August 18, 2010

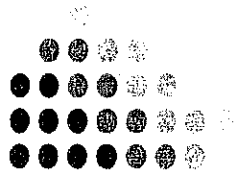


Junk Dealers and Scrap Metal  
Processors- Reporting and  
Licensing Law  
Chapter 199 (Senate Bill 99)



**Lieutenant Dalaine Brady**  
**Maryland State Police**  
**443-629-3737**

**Maureen Walter**  
**RAPID Global Administrator**  
**Maryland State Police**



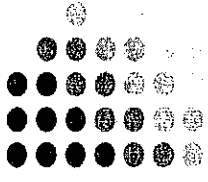
**James H. Green**  
**Baltimore Police Department**  
**(443) 984-7366**

**Shawn Vinson**  
**Baltimore County Police**  
**Department**  
**(410) 887-2211**



## Summary of presentation:

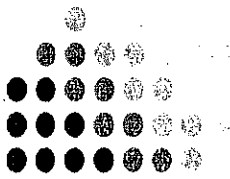
- Local law is preempted and superseded
- Local jurisdictions can establish licensing and related regulations
- State Licensing: Junk Dealer vs. Trader's License
- Definition of junk dealer and scrap metal processor
- Definition of junk or scrap metal
- Definition for primary law enforcement unit
- Resolution requirement
- Reporting requirements apply to all junk and scrap metal dealers, even exempted counties
- Restrictions on purchasing catalytic converters, cemetery urns, grave markers, etc.



## **Summary of presentation: (cont.)**

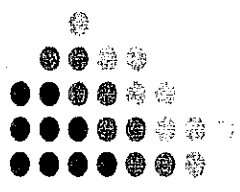
- **Junk dealers and scrap metal processors are required to keep certain records** Certain information from the record must be electronically transmitted to the primary law enforcement unit by the end of the first business day following the transaction
- **Exemption: What is a substantial financial burden?**
- **Waivers granted by law enforcement**
- **Penalties**

# Junk Dealers and Scrap Metal Processors



Effective May 4, 2010

- This Section preempts the right of a county or municipality to regulate the resale of junk or scrap metal.
- This Section supersedes any existing law of a county or municipality that regulates the resale of junk or scrap metal.

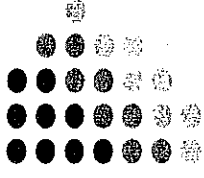


# Junk Dealers and Scrap Metal Processors- Licensing

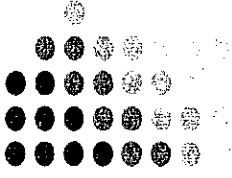
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- The law does not limit the power of a county or municipality to license junk dealers and scrap metal processors.
- Baltimore City local licensing.
- Baltimore County local licensing.

# Junk Dealers and Scrap Metal Processors- Licensing, Cont.



- State Licensing- issued by Clerk of the Court within your jurisdiction.
- Scrap metal businesses in Baltimore City, Anne Arundel, Baltimore, Caroline, Carroll, Dorchester, Kent, Somerset, Washington, and Worcester counties are not required to have a state junk dealers or scrap metal processors license.
- Scrap metal businesses maybe required to have a state traders license.



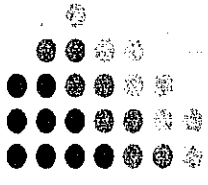
# **Trader's License**

## **Title 17-1804**

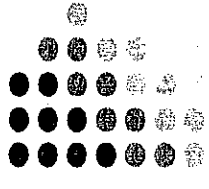
- A person must have a Trader's License whenever a person:
  - Does business as a trader in this state.
  - Applies to traveling sales persons while selling goods in this state.

# What defines a junk dealer or scrap metal processor? (pg. 5)

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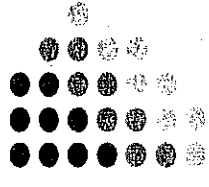
A “Junk dealer” or “scrap metal processor” means a person who does business buying or selling junk or scrap metal



# **Definition/what items must be reported:**

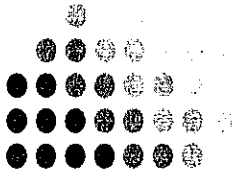
Business Regulation Article (pgs. 2-3)

17-1001(e)(1) “Junk” or “scrap metal” includes:



# **(I) Nonferrous articles made wholly or substantially of:**

- Aluminum
- Babbitt metal
- Brass
- Bronze
- Light copper
- Heavy copper
- Lead
- Low carbon chrome
- Low carbon manganese
- Molybdenum
- Monel metal
- Pewter
- Nickel
- Stainless steel
- Tin
- Vanadium
- Zinc
- Platinum
- Gold
- Rhodium
- Other Nonferrous Metals

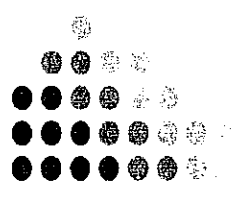


**(II) The following used articles made of either ferrous or nonferrous metal (pg. 4):**

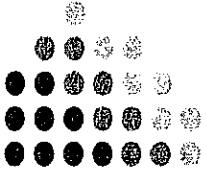
- Catalytic converters
- Metal bleachers
- Hard-drawn copper
- Metal beer kegs
- Cemetery urns
- Grave markers
- Propane tanks
- Any other articles owned by a public utility including:
  - Guardrails
  - Manhole covers
  - Metal light poles
  - Tree grates
  - Water meters
  - Street signs

Beverage cans and food cans do not need to be reported (pg. 5)

# What is a “primary law enforcement unit?” (pg. 5)



“Primary Law Enforcement Unit” means the Department of State Police, or Sheriff, as designated by a resolution of the county or municipal governing body in the county in which the license of the junk dealer or scrap metal processor is held



# How does a jurisdiction designate by resolution the “primary law enforcement unit?” (pg. 5)

## County Commissioners of Charles County, Maryland Resolution No. XX - XX

**WHEREAS**, the Annotated Code of Maryland, Business Regulations Article, § 17-1006 requires certain individuals doing business as a junk dealer or scrap metal processor in the state of Maryland be licensed to engage in said business and

**WHEREAS**, the Annotated Code of Maryland, Business Regulations Article, § 17-1003 requires that a county or municipal governing body in the county in which the license of the junk dealer or scrap metal processor is held shall designate by resolution the primary law enforcement unit to receive records in accordance with the statute.

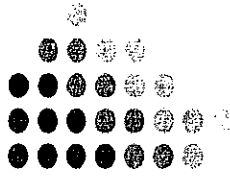
**NOW, THEREFORE**, upon motion made, duly seconded and carried, it is this \_\_\_ day of \_\_\_\_\_, 2010, RESOLVED by the County Commissioners of Charles County, Maryland, as follows:

1. That the Charles County Sheriff's Office is hereby designated as the Primary Law Enforcement Unit for Charles County in regards to the enforcement of the regulations as set forth in the Annotated Code of Maryland, Business Regulations Article § 17-1001 et al;

2. That the Charles County Sheriff's Office shall receive records in accordance with § 17-1011 (b) of the Annotated Code of Maryland, Business Regulations Article.

Finally, IT IS FURTHER RESOLVED that this Resolution shall take effect on the \_\_\_ day of \_\_\_\_\_, 2010, and apply immediately upon the signatures of the County Commissioners of Charles County, Maryland.

COUNTY COMMISSIONERS OF  
CHARLES COUNTY, MARYLAND



COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND  
Legislative Session 2010, Legislative Day No. 11  
Resolution No. 45-10

A Resolution to Designate the Baltimore County Police Department as the "primary law enforcement unit" for receipt of certain junk and scrap metal reports in the county.

WHEREAS, Council Bill 78-09 (codified as Article 21, Title 21 of the Baltimore County Code, 2003) requires a person operating as a scrap metal processor in the county to obtain a license from the county by June 1, 2010; and

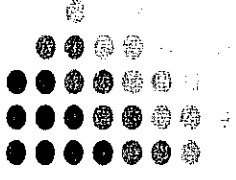
WHEREAS, Chapter 199 of the Laws of Maryland of 2010 ("Chapter 199"), an emergency bill that went into effect on May 4, 2010, requires a junk dealer or scrap metal processor to keep an accurate record of the purchase of junk or scrap metal; and

WHEREAS, Chapter 199 requires a junk dealer or scrap metal processor to submit electronically a copy of each record of the purchase of junk or scrap metal to the "primary law enforcement unit" of the county in which the license of the junk dealer or scrap metal processor is held; and

WHEREAS, Chapter 199 defines a "primary law enforcement unit" as "a police department ... As designated by resolution of the county ... governing body in which the license of the junk dealer or scrap metal processor is held"; and

WHEREAS, Chapter 199 requires "[a] county ... governing body in the county in which the license of the junk dealer or scrap metal processor is held [to] designate by resolution the primary law enforcement unit to receive records" of the purchase of junk or scrap metal; now, therefore,

BE IT RESOLVED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, that the Baltimore County Police Department is hereby designated as the "primary law enforcement unit" for Baltimore County for the purpose of receiving records of the purchase of junk or scrap metal by a junk dealer or scrap metal processor whose license is held in Baltimore County; and be it further RESOLVED, that this Resolution shall effect on the date of its enactment.



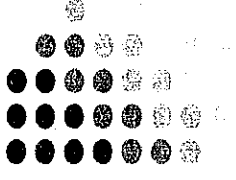
# **REPORTING:**

## **Who does this law apply to and who needs to report? (pgs. 6-7)**

All Junk dealers or scrap metal processor doing business in the state

Automotive dismantler and recycler or scrap metal processor licensed under Title 15, Subtitle 5 of the Transportation Article if they:

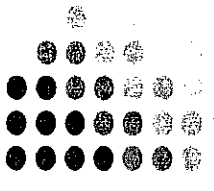
- conduct business as a licensed junk dealer or scrap metal processor
- acquires vehicle parts that qualify as junk or scrap metal
- acquires articles that are listed or made of metals included in the definition



## **EXCULSION FROM REPORTING**

This does not apply to:

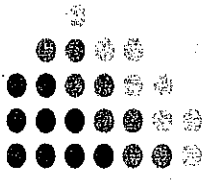
- an automotive dismantler and recycler or scrap metal processor that only acquires whole vehicles for the purpose of dismantling, destroying, or scrapping them for the benefit of their parts or the materials in them
- a person that buys scrap metal to use as raw material to produce 1,000,000 tons of steel or more in the state per calendar year



# **Items that can only be purchased with exceptions: (pg. 11)**

**A state junk licensee may not purchase a:**

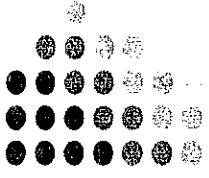
**cemetery urn, grave marker, metal bleachers, hard drawn copper, metal beer kegs, propane tanks, any other articles owned by a public utility including: guardrails, manhole covers, metal light poles, tree grates, water meters, and street signs from an individual unless the individual, at the time of purchase, provides appropriate authorization for a relevant business or unit of federal, state or local government specifically authorizing the individual to conduct the transaction**



## **Items that can only be purchased with exceptions: (pg. 11)**

A state junk licensee may not purchase a catalytic converter from an individual unless the individual, at the time of purchase, provides identification as a:

- Licensed automotive dismantler and recycler  
or scrap metal processor
- An agent or employee of a licensed  
commercial enterprise

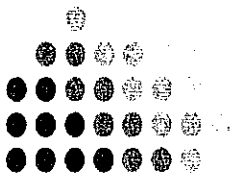


# **REQUIRED RECORDS**

**The junk dealers or scrap metal processors must keep electronic records of their transactions.**

**These transactions will be housed into the state-wide property database known as RAPID (Regional Automated Property Information Database).**

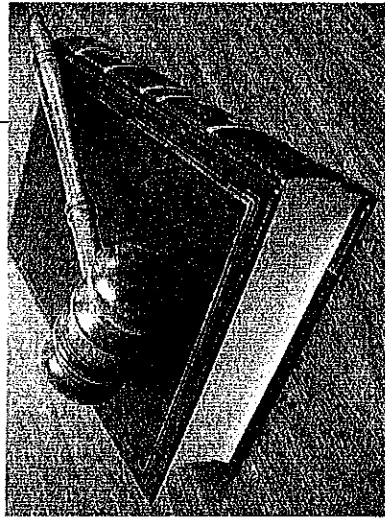
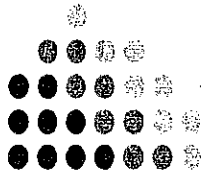
**This also contains transaction data from the automotive dismantler, pawn and second-hand store industries.**



# Exemptions General

- Substantial Burden
- Law Enforcement Waiver

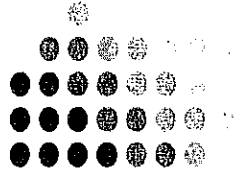
# Charging Section



- Business Regulation  
Title 17-1804(a)

## Penalty

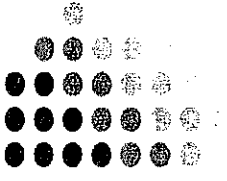
- Title 17-2106 - Misdemeanor  
Fine not exceeding \$300 or  
Imprisonment not exceeding 30 days.



# Penalties, Scrap Metal Article (pg. 13):

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Misdemeanor/1st offense-up to \$500 fine,  
2nd offense up to \$5000 or 1 year or both



# Questions: