



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6599 (Substitute H-1 as discharged)
Sponsor: Representative Mary Waters
House Committee: Regulatory Reform
Senate Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

The bill would amend Public Act 350 of 1917, which regulates second hand dealers and junk dealers, to do the following:

- Extend the Act to counties and delete the population criteria for cities and villages in which a second hand dealer or junk dealer must obtain a license to operate.
- Include scrap metal among the items handled by a second hand dealer or junk dealer.
- Allow local units to inspect the premises of second hand and junk dealers.
- Require a dealer to record the fingerprint of a person selling an article to the dealer, and the location where it was obtained.
- Prescribe felony penalties for a dealer who knowingly bought or sold scrap metal that was stolen, or scrap metal the dealer had reason to believe was stolen from a municipal utility building or jobsite.

The bill also would repeal Public Act 231 of 1945, which contains additional regulations governing pawnbrokers, secondhand dealers, and junk dealers.

MCL 445.401 et al.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would increase local unit expenditures by an unknown and likely negligible amount. The actual amount of the reduction would depend upon how many dealers chose to operate somewhere other than a city or village and/or would be regulated by a county.

The bill's criminal penalties would have an indeterminate fiscal impact on the Department of Corrections and local government. There are no data to indicate how many offenders would be convicted of the proposed offenses involving buying or selling stolen scrap metal. Local governments would incur the costs of incarceration in local facilities, which vary by county. The State would incur the cost of felony probation at an annual average cost of \$2,000, as well as the cost of incarceration in a State facility at an average annual cost of \$31,000. Additional penal fine revenue would benefit public libraries.

Date Completed: 12-13-06

Fiscal Analyst: Lindsay Hollander
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Analysis available @ <http://www.michiganlegislature.org>

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