



The Act defines "second hand dealer" or "junk dealer" as a person, corporation, member of a partnership, or firm whose principal business is purchasing, selling, exchanging, storing, or receiving second hand articles of any kind, cast iron, old iron, old steel, tool steel, aluminum, copper, brass, lead pipe or tools, or lighting and plumbing fixtures. The bill would include scrap metal among those items.

### Records

The Act requires a second hand dealer or junk dealer to keep a separate book open to inspection by law enforcement, and to record a description of any article purchased or exchanged, the name, description, and address of the person from whom the article was purchased or received, and the day and hour when the purchase or exchange was made. Under the bill, a dealer would have to keep a separate book or other record containing this information, as well as the fingerprint of the person from whom an article was purchased or received, and the location from which it was obtained.

### Penalties

A violation of the Act is punishable by imprisonment for up to six months and a fine of at least \$10 but not more than \$100. The bill would retain this penalty, except as provided below.

Under the bill, a second hand dealer or junk dealer who bought or sold scrap metal, knowing that it was stolen, would be guilty of a felony punishable by imprisonment for up to three years and/or a maximum fine of \$2,000.

A dealer who bought or sold stolen scrap metal that he or she had reason to believe was removed from a municipal utility building or jobsite would be guilty of a felony punishable by up to five years' imprisonment and/or a maximum fine of \$10,000.

The bill specifies that the remedies under the Act would be independent and cumulative. The use of one remedy by a person would not bar the use of other lawful remedies by that person or the use of a lawful remedy by another person.

### Repeal

The bill would repeal Public Act 231 of 1945. That Act states that it is to be construed as supplementing the laws of the State and city and village ordinances and charters regulating or licensing pawnbrokers, secondhand dealers, and junk dealers.

The Act requires a pawnbroker, secondhand dealer, or junk dealer to take in duplicate the thumbprint or fingerprint of a person from whom the pawnbroker or dealer received property, subject to certain exceptions. One copy of the print must be forwarded to local police chief or sheriff, along with a statement of the nature of the property received. The other copy and a statement must be forwarded to the Michigan State Police, which must provide the forms for taking fingerprints and the required statement.

The Act also requires a pawnbroker, secondhand dealer, or junk dealer to send to the State Police a statement of the name or title of its business, the owners, its address, and the county where the business is located.

A violation of the Act is a misdemeanor.

The Act does not apply to a secondhand or junk dealer purchasing scrap iron and metal. A license under the Act or any ordinance it supplements is not required for an internet drop-off

store complying with certain conditions, or a person engaged in the sale, purchase, consignment, or trade of personal property for himself or herself.

### **House Bill 6630**

Under the bill, buying or selling stolen scrap metal would be a Class F felony against the public order with a statutory maximum of three years. Buying or selling stolen scrap metal removed from a municipal utility building or jobsite would be a Class E felony against the public order with a statutory maximum of five years.

MCL 445.401 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

House Bill 6599 (H-1) 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 criminal penalties in House Bills 6599 (H-1) and 6630 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. An offender convicted of the Class E offense under the bills would receive a sentencing guidelines minimum sentence range of 0-3 months to 24-38 months. An offender convicted of the Class F offense would receive a sentencing guidelines minimum sentence range of 0-3 months to 17-30 months. 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.

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