



Senate Fiscal Agency
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House Bill 5694 (Substitute S-1 as reported)
Sponsor: Representative Terry Brown
House Committee: Commerce
Senate Committee: Economic Development and Regulatory Reform

CONTENT

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

- Require a dealer to make a copy of the driver license or State identification card of a person from whom the dealer purchased or received items, and include the copy in the dealer's weekly report to the police.
- Require a second hand or junk dealer's payment for an item to be made either by check or electronically.
- Allow a dealer's book or record, and weekly report to police, to be written or electronic.
- Revise felony penalties for knowingly buying or selling stolen scrap metal.

Except as otherwise provided below, a violation of the Act is a misdemeanor punishable by imprisonment for up to six months and a fine of at least \$500 but not more than \$1,000. A second hand or junk dealer who knowingly buys or sells scrap metal is guilty of a felony punishable by up to three years' imprisonment, a maximum fine of \$2,000, or both. The bill would increase the maximum penalty to five years and/or \$5,000, and would apply this penalty to a first violation. A second or subsequent offense would be punishable by up to five years' imprisonment and/or a maximum fine of \$10,000 (Currently, this penalty applies to a dealer who buys or sells stolen scrap metal that he or she has reason to believe was unlawfully removed from a utility pole, telecommunication company property, government property, or utility property or jobsite. The bill would delete that provision.)

The bill would take effect on April 1, 2009, and is tie-barred to Senate Bills 720, 1114, and 1571 and House Bill 6181.

MCL 445.404 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many additional offenders would be convicted of violating the Act. To the extent that the bill would increase misdemeanor convictions, local governments would incur increased costs of misdemeanor probation and incarceration in local facilities, which vary by county. To the extent that the bill would increase incarceration time for offenders convicted of a felony violation, local governments would incur increased costs of incarceration in local facilities. The State would incur increased costs of incarceration in a State facility at an average annual cost of \$32,000. Additional penal fine revenue would benefit public libraries.

Date Completed: 12-8-08

Fiscal Analyst: Lindsay Hollander