



Senate Fiscal Agency
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House Bill 5694 (Substitute H-2 as passed by the House)
Sponsor: Representative Terry Brown
House Committee: Commerce
Senate Committee: Economic Development and Regulatory Reform

Date Completed: 12-2-08

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 either written or electronic.**
- Revise felony penalties for knowingly buying or selling stolen scrap metal.**

Record & Payment

The Act requires a second hand or junk dealer to keep a separate book or other record, written in English, that is open to inspection by local law enforcement agencies. The bill would require a dealer to make and maintain a separate book or other written or electronic record.

At the time an article is purchased or exchanged, the dealer must write or enter in the book or record, a description of the article. The record also must include the name, description, fingerprint, operator's or chauffeur's license or State identification number, registration plate number, and address of the person from whom the article was purchased or received. The bill also would require the dealer to make a copy of the person's operator's license, chauffeur's license, or State identification card as part of the book or record.

The bill would require payment for an item to be made only by check or electronic payment system. The second hand or junk dealer's record would have to indicate the method of payment.

By noon each Monday, a dealer licensed under the Act must prepare and deliver to the chief of police or chief law enforcement officer of the local unit, a legible and correct copy, written in English, from the book or other record, describing each article purchased or received during the preceding week. The report must include the hour and day when the purchase was made and a description of the person from whom the article was purchased. Under the bill, the weekly report would have to be a paper or electronic copy from the dealer's written

or electronic record, and include a copy of the documentation required to be in the dealer's record regarding the person from whom the article was purchased. The person currently must verify the weekly statement by subscribing his or her name to it. The bill would require instead that the statement be verified in a manner acceptable to the chief of police or chief law enforcement officer.

Penalties

Except as 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 buys or sells scrap metal, knowing that it is stolen, 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 penalty to up to five years' imprisonment and/or a maximum fine of \$5,000, and would apply this penalty to a first violation.

Currently, a second hand or junk 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 is guilty of a felony punishable by up to five years' imprisonment and/or a maximum fine of \$10,000. Under the bill, that penalty would apply instead to a second or subsequent offense of a second hand or junk dealer's buying or selling any stolen scrap metal, knowing that it was stolen.

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.

Fiscal Analyst: Lindsay Hollander

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.