

Introduced by

Senators J. Lee, Carlisle, O'Connell

Representatives B. Koppelman, Streyle, Delmore

1 A BILL for an Act to provide for regulation of scrap metal purchases by scrap metal dealers; and  
2 to provide a penalty.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.**

5 **Definitions.**

6 As used in this chapter, unless the context otherwise requires:

7 1. "Alloy" means a combination of a metal and carbon or other metals.

8 2. "Business records" means records of any purchase or transaction that involves the  
9 receipt of scrap metals made in the ordinary course of business and includes written  
10 receipts, books or similar records, or electronically stored records, but does not  
11 include correspondence, tax returns, or financial statements.

12 3. "Ferrous metals" means those metals that will attract a magnet, and includes alloys of  
13 those metals.

14 4. "Law enforcement officer" or "peace officer" means a public servant authorized by law  
15 or by a government agency or branch to enforce the law and to conduct or engage in  
16 investigations or prosecutions for violations of law.

17 5. "Nonferrous metals" means those metals that will not normally attract a magnet,  
18 including copper, brass, aluminum, bronze, lead, zinc, platinum, nickel, and includes  
19 alloys of those metals.

20 6. "Scrap metal" means ferrous or nonferrous metals purchased primarily for reuse or  
21 recycling, including metals combined with other materials at the time of purchase or  
22 acquisition, and including insulated and uninsulated wire and cable. Scrap metal does  
23 not include automobiles, automobile hulks, or any aluminum food or beverage  
24 containers.

1       7. "Scrap metal dealer" means a person, as defined in subsection 8 of section 1-01-49,  
2       engaged in the business of purchasing, selling, trading, or bartering scrap metal, and  
3       includes all employees of the scrap metal dealer.

4       **SECTION 2.**

5       **Records of purchase, trade, barter, or transaction required.**

- 6       1. Every scrap metal dealer shall keep business records of any purchase, trade, barter,  
7       or other transaction that involves the receipt of scrap metals worth over twenty-five  
8       dollars. The business records must include the following information:
- 9       a. The date, time, and place of each purchase or transaction;
  - 10      b. A description of the scrap metal received and the weight and type of scrap metal  
11      received;
  - 12      c. The amount paid to the person selling or delivering the scrap metal, and the  
13      manner of payment, including check or electronic transfer;
  - 14      d. The name and address of the person selling or delivering the scrap metal; and
  - 15      e. A photocopy of a valid government-issued identification card or driver's license  
16      and which must include the seller's or deliverer's full name, photograph, date of  
17      birth, and signature.
- 18      2. Every scrap metal dealer shall keep the business records required under this section  
19      at the business premises of the scrap metal dealer or other reasonably available  
20      location within this state for seven years after the date of each purchase or transaction  
21      for which business records are required under this section.
- 22      3. A scrap metal dealer may not pay cash for scrap metal purchases or transactions over  
23      one thousand dollars, but may only pay by check or electronic transfer.
- 24      4. Each scrap metal dealer's premises must be kept open during regular business hours  
25      for inspection by a law enforcement officer and each scrap metal dealer's business  
26      records and business inventory must be made available for inspection by a law  
27      enforcement officer at all times during reasonable business hours or at reasonable  
28      times if ordinary hours of business are not kept.
- 29      5. Before a law enforcement officer may conduct an inspection under this section, the  
30      law enforcement officer shall inform the scrap metal dealer that the individual is a law  
31      enforcement officer and shall inform the scrap metal dealer of the purpose of the

- 1           inspection. The law enforcement officer shall comply with all reasonable and  
2           customary safety requirements of the scrap metal dealer on the business premises.  
3        6.   The scrap metal dealer may require a law enforcement officer to sign an inspection log  
4           that includes the officer's name and serial or badge number and the date, time, and  
5           purpose for the inspection.  
6        7.   The provisions of this chapter shall take precedence over and supersede any local  
7           ordinance adopted by a political subdivision that regulates scrap metal transactions.

8        **SECTION 3.**

9        **Exemptions.**

10       Section 2 of this Act does not apply to:

- 11       1.   Purchases from another scrap metal dealer who regularly conducts scrap metal  
12           business in this state.  
13       2.   Purchases from government agencies.  
14       3.   Purchases from persons regularly engaged in the business of manufacturing metals or  
15           regularly engaged in the business of selling metals at retail or wholesale, including  
16           scrap processing or manufacturing that produces byproducts for scrap.  
17       4.   Purchases from persons regularly engaged in the generation or transmission of  
18           electricity, or in telephone, telegraph, or cable communications, if the person provides  
19           the scrap metal dealer with a bill of sale or other written evidence of ownership of the  
20           scrap metal purchased from the person.

21       **SECTION 4.**

22       **Penalty.**

- 23       1.   A scrap metal dealer who willfully fails to comply with section 2 of this Act is guilty of a  
24           class B misdemeanor.  
25       2.   A scrap metal dealer who willfully buys, receives, possesses, or conceals stolen scrap  
26           metal, and the scrap metal is less than five hundred dollars in value is guilty of a  
27           class A misdemeanor.  
28       3.   A scrap metal dealer who willfully buys, receives, possesses, or conceals stolen scrap  
29           metal, and the scrap metal exceeds five hundred dollars in value, is guilty of a class C  
30           felony.