

Sixtieth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2301**

Introduced by

Senators J. Lee, Hacker

Representatives Boehning, Ekstrom, Hawken

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

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

4 **SECTION 1. Definitions.** As used in this chapter, unless the context otherwise  
5 requires:

- 6 1. "Business records" means records of any purchase, trade, barter, or other  
7 transaction that involves the receipt of scrap metals and that is made in the  
8 ordinary course of business at or near the time of the purchase, trade, barter, or  
9 transaction including receipts, books or similar records, but does not include  
10 correspondence, tax returns, or financial statements.
- 11 2. "Ferrous metals" means those metals that will attract a magnet.
- 12 3. "Nonferrous metals" means those metals that will not normally attract a magnet,  
13 including copper, brass, and aluminum.
- 14 4. "Scrap metal" includes insulated and uninsulated metallic cables.
- 15 5. "Scrap metal dealer" means each person or business entity, including all  
16 employees of the person or business entity, engaged in the business of  
17 purchasing, trading, bartering, or otherwise receiving secondhand or castoff metals  
18 of any kind, except used beverage containers, which is commonly known as scrap  
19 metal.

20 **SECTION 2. Records of purchase.**

- 21 1. Every scrap metal dealer shall keep on the business premises a book or other  
22 similar record legibly printed or written in ink of each transaction exceeding  
23 twenty-five dollars involving the receipt of scrap metal except used beverage

containers. The record of each receipt of scrap metal must include the following information:

- a. The date, time, and place of the transaction.
- b. An identifying description and weight of the specific scrap metal received.
- c. The dollar amount paid.
- d. The seller's name, physical description including gender, height, weight, race, and eye and hair color, address, date of birth, signature and driver's license number or a photocopy of a valid government issued photo identification card.
- e. The number and state of issuance of the license on the vehicle used to deliver the scrap metal.

2. The record and entries must be retained in a book or similar record at the business premises or other reasonably available location within this state for three years after making the final entry of a transaction. A scrap metal dealer may not purchase materials for which a record is required to be kept by this section in a series of purchases under twenty-five dollars to avoid the requirements of this section. A scrap metal dealer's business premises, business records relating to scrap metal transactions, including a book or similar record prescribed by this section, and business inventory must be open during regular business hours for reasonable inspection by a peace officer. Before an inspection may take place, a peace officer shall inform the scrap metal dealer, dealer's manager, or other responsible person that the individual is a peace officer and the purpose of the inspection and comply with all reasonable and customary safety requirements of that scrap metal dealer for the business premises inspected. The scrap metal dealer may require the peace officer to sign an inspection log that includes the officer's name and serial or badge number and the time, date, and purpose for the inspection.

### **SECTION 3. Report to law enforcement agencies - Exemption.**

1. Within twenty-four hours of receipt of scrap metals for which a record is required to be kept by section 2 of this Act, a scrap metal dealer shall deliver the record of the receipt of the scrap metals to the city or county law enforcement agency in the

jurisdiction where the purchase was made. The record must include the following information:

- a. The date, time, and place of the receipt of the scrap metal.
  - b. An identifying description of the specific scrap metal received including the weight and amount paid or other consideration given.
  - c. A description of the person delivering the metal to the scrap metal dealer including the person's gender, height, weight, race, and hair and eye color, address, date of birth and driver's license number or a photocopy of a valid government issued photo identification card.
  - d. The number and state of issuance of the license on the vehicle used to deliver the scrap metal.
2. Except as provided by subsection 3, a scrap metal dealer shall hold any nonferrous scrap metal received in a reportable transaction in its custody for seven days after filing the report prescribed by subsection 1 in the same size, shape, and condition in which nonferrous scrap metal was received on its business premises.
  3. Subsection 2 does not apply to transactions with other scrap metal dealers, purchases by scrap metal dealers of used beverage containers or ferrous scrap metals, or to scrap metal authorized for release by a peace officer of that jurisdiction.

**SECTION 4. Burned metallic wire - Transaction restrictions.** A scrap metal dealer may not purchase or otherwise receive metallic wire that was burned in whole or in part to remove insulation unless the scrap metal dealer receives from the scrap metal seller written evidence identifying the person who delivers the wire to the scrap metal dealer that includes evidence that the wire was lawfully burned.

**SECTION 5. Purchases exempt from chapter.** Sections 2, 3, and 4 of this Act do not apply to:

1. Purchases from another scrap metal dealer regularly conducting, and authorized to do, business in this state;
2. Purchases from governmental entities;
3. Purchases from persons or business entities regularly engaged in the business of manufacturing metals or the business of selling metals at retail or wholesale; or

1           4.   Purchases from persons or business entities engaged in either the generation,  
2               transmission, or distribution of electric energy or in telephone, telegraph, and other  
3               communications if the persons or entities, at the time of the purchase, provide the  
4               dealer with a bill of sale or other written evidence of title to the scrap metal  
5               purchased.

6           **SECTION 6. Limitation of authority of political subdivisions.** A political subdivision,  
7           including home rule cities or counties, may not enact an ordinance relating to regulating scrap  
8           metal dealers that is in conflict with this chapter.

9           **SECTION 7. Penalty for violation of chapter.** A person who violates section 2, 3, or  
10          4 of this Act is guilty of a class A misdemeanor.