

**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

- 1           containers. The record of each receipt of scrap metal must include the following  
2           information:
- 3           a. The date, time, and place of the transaction.  
4           b. An identifying description and weight of the specific scrap metal received.  
5           c. The dollar amount paid.  
6           d. The seller's name, physical description including gender, height, weight, race,  
7           and eye and hair color, address, date of birth, signature and driver's license  
8           number or a photocopy of a valid government issued photo identification card.  
9           e. The number and state of issuance of the license on the vehicle used to deliver  
10          the scrap metal.
- 11          2. The record and entries must be retained in a book or similar record at the business  
12          premises or other reasonably available location within this state for three years  
13          after making the final entry of a transaction. A scrap metal dealer may not  
14          purchase materials for which a record is required to be kept by this section in a  
15          series of purchases under twenty-five dollars to avoid the requirements of this  
16          section. A scrap metal dealer's business premises, business records relating to  
17          scrap metal transactions, including a book or similar record prescribed by this  
18          section, and business inventory must be open during regular business hours for  
19          reasonable inspection by a peace officer. Before an inspection may take place, a  
20          peace officer shall inform the scrap metal dealer, dealer's manager, or other  
21          responsible person that the individual is a peace officer and the purpose of the  
22          inspection and comply with all reasonable and customary safety requirements of  
23          that scrap metal dealer for the business premises inspected. The scrap metal  
24          dealer may require the peace officer to sign an inspection log that includes the  
25          officer's name and serial or badge number and the time, date, and purpose for the  
26          inspection.

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

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

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

3           a.   The date, time, and place of the receipt of the scrap metal.

4           b.   An identifying description of the specific scrap metal received including the  
5           weight and amount paid or other consideration given.

6           c.   A description of the person delivering the metal to the scrap metal dealer  
7           including the person's gender, height, weight, race, and hair and eye color,  
8           address, date of birth and driver's license number or a photocopy of a valid  
9           government issued photo identification card.

10          d.   The number and state of issuance of the license on the vehicle used to deliver  
11          the scrap metal.

12          2.   Except as provided by subsection 3, a scrap metal dealer shall hold any nonferrous  
13          scrap metal received in a reportable transaction in its custody for seven days after  
14          filing the report prescribed by subsection 1 in the same size, shape, and condition  
15          in which nonferrous scrap metal was received on its business premises.

16          3.   Subsection 2 does not apply to transactions with other scrap metal dealers,  
17          purchases by scrap metal dealers of used beverage containers or ferrous scrap  
18          metals, or to scrap metal authorized for release by a peace officer of that  
19          jurisdiction.

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

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

27          1.   Purchases from another scrap metal dealer regularly conducting, and authorized to  
28          do, business in this state;

29          2.   Purchases from governmental entities;

30          3.   Purchases from persons or business entities regularly engaged in the business of  
31          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.