

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED 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 two
23 hundred 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. A photocopy of a valid government issued photo identification card.
7 e. The number and state of issuance of the license on the vehicle used to
8 deliver the scrap metal.

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

25 **SECTION 3. Burned metallic wire - Transaction restrictions.** A scrap metal dealer
26 may not purchase or otherwise receive metallic wire that was burned in whole or in part to
27 remove insulation unless the scrap metal dealer receives from the scrap metal seller a written
28 statement identifying the person who delivers the wire to the scrap metal dealer that includes a
29 statement that the wire was lawfully burned.

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

- 1 1. Purchases from another scrap metal dealer regularly conducting, and authorized to
- 2 do, business in this state;
- 3 2. Purchases from governmental entities;
- 4 3. Purchases from persons or business entities regularly engaged in the business of
- 5 manufacturing metals or the business of selling metals at retail or wholesale; or
- 6 4. Purchases from persons or business entities engaged in either the generation,
- 7 transmission, or distribution of electric energy or in telephone, telegraph, and other
- 8 communications if the persons or entities, at the time of the purchase, provide the
- 9 dealer with a bill of sale or other written evidence of title to the scrap metal
- 10 purchased.

11 **SECTION 5. Limitation of authority of political subdivisions.** A political
12 subdivision, including home rule cities or counties, may not enact an ordinance relating to
13 regulating scrap metal dealers that is in conflict with this chapter.

14 **SECTION 6. Penalty for violation of chapter.** A person who violates section 2 or 3 of
15 this Act is guilty of a class B misdemeanor.