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Bill Analysis
Legislative Service Commission

H.B. 206

127th General Assembly
(As Introduced)

Reps. Domenick and Healy, Foley, Beatty, D. Stewart, R. Hagan, Fende, Evans, Letson, Miller, Dodd, Ujvagi, Yuko, Luckie, Bolon, B. Williams, Brady, Celeste, Barrett

BILL SUMMARY

- Establishes record-keeping requirements for dealers in valued scrap material (scrap copper, scrap aluminum siding, or scrap catalytic converters) different from the record-keeping requirements for other types of scrap metal or secondhand goods.
- Requires each scrap copper dealer to maintain a separate registry with respect to persons from whom the dealer purchases or receives 35 pounds or more of specified kinds of copper or copper alloy.
- Prohibits a dealer in valued scrap material from failing to keep or from knowingly recording false information in the records or registry.
- Prohibits a dealer that purchases or receives valued scrap material from disposing of the material for not fewer than ten days after the date of purchase or receipt.
- Requires a dealer to keep valued scrap material on display in plain sight at the dealer's place of business and keep the records or registry required to be maintained under the bill open for inspection by the representative of any law enforcement agency at all reasonable times.
- Prohibits any dealer in valued scrap material from purchasing or receiving any valued scrap material from a minor without first obtaining the written consent of the minor's parent or guardian regarding the purchase or receipt.

CONTENT AND OPERATION

Overview of Secondhand Dealers and Junk Yards Law

The Secondhand Dealers and Junk Yards Law (R.C. Chapter 4737.) places the following duties on persons subject to the portion of the law governing the sale and purchase of specified secondhand goods:

(1) A dealer in specified secondhand goods must: (a) keep a separate book, open to inspection by any law enforcement officer, written in English, (b) record in this book, at the time of the purchase or exchange of articles, a description of the articles, the name, description, and residence of the person from whom the articles were purchased and received, and the day and hour when the purchase or exchange was made, (c) consecutively number each entry in that book, commencing with number one (sec. 4737.01(A), not in the bill).

(2) Any person, prior to purchasing any secondhand article of furniture or secondhand electrical or gas appliance or equipment for the purpose of resale to the general public, must demand to examine the seller's driver's or commercial driver's license or state identification card and one additional type of card typically used for identification purposes (sec. 4737.01(B), not in the bill).

(3) Every dealer in scrap iron, metal, and waste materials must (a) maintain a book of records, in which the dealer must keep an accurate and complete record of all articles purchased or received by the dealer in the course of the dealer's daily business, (b) include in the records the name, description, and residence of the person from whom the articles were purchased or received and the date and hour when such purchases or exchanges were made, and (c) keep those records open for inspection by the representative of any law enforcement agency at all business hours (sec. 4737.04).

(4) A dealer must hold all journal brasses and other railroad metals other than purchases and sales concerning railroad scrap metal, for a period of 30 days after being purchased or acquired (sec. 4737.04).

If the purchaser or receiver is a peddler or goes about with a wagon to purchase or obtain, by exchange or otherwise, any articles specified in continuing law, and does not have a place of business in a building, the purchaser or receiver need not retain such articles for 30 days before selling them, provided, on Monday of each week, the purchaser or receiver files with the mayor of the municipal corporation in which is located the place of business of the person to whom such sale is made, a copy of the record required under (1) above to be kept in a separate book, of the articles purchased or received during the preceding week, including a

description of such articles sold, to whom sold, and the place of business of the person who bought the articles (sec. 4737.02).

The Secondhand Dealers and Junk Yards Law prohibits any person from purchasing or receiving by sale, barter, exchange, or otherwise, specified articles, from a minor or apprentice, knowing or having reason to believe that the person is a minor or apprentice, or from any person between the hours of 9 p.m. and 7 a.m. (sec. 4737.03, not in the bill). The provisions of the Secondhand Dealers and Junk Yards Law governing secondhand goods do not apply to the business of purchasing articles that are made of or contain gold, silver, platinum, or other precious metals or jewels (sec. 4737.011, not in the bill).

The Secondhand Dealers and Junk Yards Law also generally requires an operator of a junk yard to obtain a license from the appropriate local authority unless an exception applies. A "junk yard" under continuing law is an establishment or place of business that is maintained or operated for the purpose of storing, keeping, buying, or selling junk, and includes scrap metal processing facilities that are located within 1,000 feet of the nearest edge of the right of way of a highway in the interstate or primary system. "Junk," under continuing law, means old or scrap copper, brass, rope, rags, trash, waste, batteries, paper, rubber, iron, steel, and other old or scrap ferrous or nonferrous materials, but does not include scrap tires as defined under continuing law. (Sec. 4737.05, not in the bill).

Generally, whoever violates the Secondhand Dealers and Junk Yards Law is fined not less than \$25 nor more than \$1,000 and the costs of prosecution (sec. 4737.99, not in the bill).

Purchase or sale of valued scrap metal

The bill establishes procedures for a dealer in valued scrap material to follow when receiving or selling valued scrap material. "Valued scrap material," under the bill, means scrap copper, scrap aluminum siding, or scrap catalytic converters (sec. 4737.041(A)). Under the bill, each dealer in valued scrap material must maintain accurate and complete records regarding all valued scrap material purchased or received by the dealer in the course of daily business. The records must contain all of the following:

(1) The name, description, and address of the person from whom valued scrap material was purchased or received;

(2) The make, model, year, color, and license plate number of the vehicle in which the valued scrap material was delivered to the dealer;

(3) Each item of valued scrap material that was purchased or received;



(4) The date and hour of the purchase or receipt;

(5) The weight of the valued scrap material items that were purchased or received;

(6) The price paid or exchange made by the dealer for the items (sec. 4737.041(B)).

The bill also requires each scrap copper dealer to maintain a separate registry with respect to persons from whom the dealer purchases or receives 35 pounds or more of copper or copper alloy that has been used by entities engaged in the transmission and distribution of electric energy or in telephone, telegraph, or other communications. With respect to such persons, purchases, and receipts, the registry must contain all the information described in (1) to (6) immediately above together with notations regarding whether the copper or copper alloy is in the form of wire, cable, bars, rods, or tubing. In addition, the registry must specify the name and address of the electric energy or communications entity from which the copper or copper alloy originally was obtained. Information maintained in the registry is not required to be duplicated in the records maintained under the bill. (Sec. 4737.041(B).)

The records or registry required to be maintained under the bill must be open for inspection by the representative of any law enforcement agency at all reasonable times (sec. 4737.041(G)). The bill prohibits any dealer in valued scrap material from purchasing or receiving any valued scrap material from a minor without first obtaining the written consent of the minor's parent or guardian regarding the purchase or receipt. The written consent must be dated and must include an itemized description of each item of valued scrap material involved. The written consent must be recorded in the records or registry, as applicable, required to be maintained under the bill. (Sec. 4737.041(E).) Additionally, the bill prohibits a dealer in valued scrap material from failing to keep or from knowingly recording false information in the records or registry required to be maintained under the bill (sec. 4737.041(F)). Whoever violates these prohibitions, under continuing law unchanged by the bill, is fined not less than \$25 nor more than \$1,000 and the costs of prosecution (sec. 4737.99, not in the bill).

Under the bill, for not fewer than ten days following a dealer's purchase or receipt of valued scrap material, the dealer must not dispose of the material and must keep it on display in plain sight at the dealer's place of business. During that time period, the item must be open to inspection by the public during business hours. (Sec. 4737.041(D).) Whoever violates this requirement, under continuing law unchanged by the bill, is fined not less than \$25 nor more than \$1,000 and the costs of prosecution (sec. 4737.99, not in the bill).

The bill exempts the purchase or receipt of valued scrap metal from the requirements described in (3) under "*Overview of Secondhand Dealers and Junk Yards Law*," above and from the requirements that a person who does not have a place of business in a building must complete as described under "*Overview of Secondhand Dealers and Junk Yards Law*," above (secs. 4737.02 and 4737.04). The bill states that with respect to valued scrap material, the provisions under the bill supersede any other similar, more general provisions established in the Secondhand Dealers and Junk Yards Law that pertain to keeping records involving scrap metal or other secondhand items (sec. 4737.041(H)).

HISTORY

ACTION	DATE
Introduced	05-03-07

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