

Legislative Analysis



MODEL ORDINANCE FOR LICENSURE OF SECOND HAND DEALERS AND JUNK DEALERS

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House Bill 6003 (Substitute H-1)

Sponsor: Rep. Michael Sak

Committee: Commerce

Complete to 6-11-08

A SUMMARY OF HOUSE BILL 6003 AS REPORTED FROM COMMITTEE 6-3-08

The bill would amend Public Act 350 of 1917 (MCL 445.404), which regulates second hand dealers and junk dealers, to require the Department of Labor and Economic Growth to create a model ordinance for the licensure of second hand dealers and junk dealers. The model ordinance would be designed for use by a county, city, or village that had not adopted or enacted an ordinance of its own. The ordinance would be applicable and have the force of law in a county, city, or village, unless the unit had adopted a substantially equivalent ordinance at least as strict.

The model ordinance would be created by promulgation of a rule under the Administrative Procedures Act.

The model ordinance would have to require that an applicant for licensure demonstrate compliance with any applicable state laws or local ordinances. DLEG would allow the county, city, or village to charge fees in an amount to cover the issuance of a license and the administrative costs of licensure.

A county, city, or village could at any time adopt or enact a substantially equivalent ordinance at least as strict, and then the model ordinance would no longer be applicable.

FISCAL IMPACT:

The bill would have no significant fiscal impact on the state or on local units of government.

BACKGROUND INFORMATION:

House Bill 6003 is one of three bills reported from the House Commerce Committee aimed at addressing the serious and growing problem of the theft of materials and objects made of valuable metals, such as copper. Industry and law enforcement representatives say that the prices of these commodities have been rising, leading to an increase in thefts and illegal sales. The other two bills reported by the Commerce Committee are House Bill 5694 and House Bill 6181.

House Bill 5694 would impose new record-keeping requirements on second hand dealers and junk dealers and impose increased criminal penalties on a dealer who buys or sells scrap metal knowing that it was stolen.

House Bill 6181 would create a new act, the Nonferrous Metal Regulatory Act, to apply to purchasers of such metals as copper, brass, aluminum, bronze, lead, zinc, and nickel. It would require record-keeping for each transaction; specify acceptable methods of payment; prescribe the tagging and holding of certain items by dealers; and require the participation by dealers in an Internet-based database. The bill also would prohibit the sale of certain items unless the seller had specific written authorization to sell them. It also imposes new penalties.

POSITIONS:

The Department of Labor and Economic Growth (DLEG) has indicated support for House Bills 6003, 5694, and 6181. (6-3-08)

The Rental Property Owners Association of Michigan indicated support for House Bill 6003. (6-3-05)

The Michigan Association of Broadcasters has indicated support for House Bills 6003, 5694, and 6181. (6-3-05)

Verizon, Sprint, and AT&T all have indicated support for House Bills 6003, 5694, and 6181. (6-3-05)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.