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"Law: Scrap metal buyers must check sellers' photo ID," Asbury Park Press, 1-28-09, p.8

LAW

[Third Reprint]
SENATE, No. 1781

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED MAY 8, 2008

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Senator Scutari, Assemblywoman Wagner and Assemblyman Chivukula

SYNOPSIS

Requires scrap metal dealers to maintain certain records regarding purchases.

CURRENT VERSION OF TEXT

As reported by the Assembly Regulated Professions Committee on October 23, 2008, with amendments.

(Sponsorship Updated As Of: 12/16/2008)

S1781 [3R] CONNORS, GIRGENTI

2

1 AN ACT regulating scrap metal businesses and supplementing Title
2 45 of the Revised Statutes and Title 2C of the New Jersey
3 Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. As used in this act:

9 "Scrap metal" means used, discarded, or previously owned items
10 that consist predominantly of ferrous metals, aluminum, brass,
11 copper, lead, chromium, tin, nickel, or alloys.

12 "Scrap metal business" means a commercial establishment
13 which, as one of its principal business purposes, purchases scrap
14 metal for purposes of resale or processing.

15

16 2. The operator of a scrap metal business shall:

17 a. Verify the identity of any person delivering or selling scrap
18 metal to the scrap metal business by requesting and examining a
19 photograph-bearing, valid State or federal driver's license or other
20 government-issued form of identification bearing a photograph;

21 b. Make a clear copy of, and record, in a manner ³as may be³
22 prescribed by the Attorney General, the number of the driver's
23 license or other government-issued form of identification presented
24 by the person delivering or selling the scrap metal, before receiving
25 or purchasing any scrap metal from that person;

26 c. Maintain, for at least five years, a record of all ¹[receiving]
27 receipts¹ or purchases of scrap metal ³in excess of 100 pounds or
28 \$50, whichever is less³, including, but not limited to:

29 (1) the date of receipt or purchase of the scrap metal;

30 (2) the name and address of the person delivering or selling scrap
31 metal;

32 (3) the type and number of the identification presented by the
33 person delivering or selling the scrap metal, along with a copy of
34 the driver's license or other government-issued form of
35 identification;

36 (4) a description of the scrap metal received or purchased,
37 including, but not limited to its type, amount, and form;

38 (5) the signature of the person delivering or selling the scrap
39 metal; and

40 (6) any other information as may be required by the Attorney
41 General; and

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SLP committee amendments adopted May 15, 2008.

²Senate floor amendments adopted June 12, 2008.

³Assembly ARP committee amendments adopted October 23, 2008.

1 d. Make any records maintained pursuant to subsection c. of
2 this section available, upon request, to any law enforcement agency
3 or official investigating the possible theft or resale of scrap metals.
4

5 3. Each State, county, and municipal police department may,
6 upon receiving reliable information that scrap metal has been
7 stolen, promptly notify scrap metal businesses of the theft and
8 provide such businesses with information to identify the stolen
9 scrap metal, to effectuate the purposes of P.L. , c. (C.)
10 (pending before the Legislature as this bill).
11

12 4. The operator of a scrap metal business shall immediately
13 report ²to an appropriate law enforcement agency² any
14 ²[suspicious]² delivery or sale of scrap metal ¹[,]¹ ²[including, but
15 not limited to ¹,¹ the delivery or sale of scrap metal suspected to
16 be] under circumstances that would cause a reasonable person to
17 believe the scrap metal was probably² stolen or otherwise
18 inappropriately obtained ¹[,]¹ ²[to the appropriate law enforcement
19 agency]².

20
21 5. Notwithstanding any provision of the law to the contrary,
22 any person who reports information to a law enforcement official or
23 agency concerning the suspect delivery or sale of scrap metal shall
24 be immune from any civil liability on account of the report, unless
25 such person has acted in bad faith or with malicious purpose.
26

27 6. Violations of sections 2 or 4 of P.L. , c. (C.) (pending
28 before the Legislature as this bill) are disorderly persons offenses
29 for a first or second offense, and crimes of the fourth degree for
30 third and subsequent offenses.
31

32 7. The Attorney General, pursuant to the provisions of the
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
34 seq.), ³[shall] may³ promulgate rules and regulations necessary to
35 implement P.L. , c. (C.) (pending before the Legislature as
36 this bill).
37

38 8. This act shall take effect on the first day of the seventh
39 month following enactment, but the Attorney General may take
40 such anticipatory acts in advance of that date as may be necessary
41 for the timely implementation of this act.

1 scrap metal, to effectuate the purposes of P.L. , c. (C.)
2 (pending before the Legislature as this bill).

3

4 4. The operator of a scrap metal business shall immediately
5 report any suspicious delivery or sale of scrap metal, including, but
6 not limited to the delivery or sale of scrap metal suspected to be
7 stolen or otherwise inappropriately obtained, to the appropriate law
8 enforcement agency.

9

10 5. Notwithstanding any provision of the law to the contrary, any
11 person who reports information to a law enforcement official or
12 agency concerning the suspect delivery or sale of scrap metal shall
13 be immune from any civil liability on account of the report, unless
14 such person has acted in bad faith or with malicious purpose.

15

16 6. Violations of sections 2 or 4 of P.L. , c. (C.) (pending
17 before the Legislature as this bill) are disorderly persons offenses
18 for a first or second offense, and crimes of the fourth degree for
19 third and subsequent offenses.

20

21 7. The Attorney General, pursuant to the provisions of the
22 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
23 seq.), shall promulgate rules and regulations necessary to
24 implement P.L. , c. (C.) (pending before the Legislature as
25 this bill).

26

27 8. This act shall take effect on the first day of the seventh month
28 following enactment, but the Attorney General may take such
29 anticipatory acts in advance of that date as may be necessary for the
30 timely implementation of this act.

31

32

33

SPONSOR'S STATEMENT

34

35 This bill would require operators of scrap metal businesses to
36 maintain certain records and report suspicious deliveries or sales to
37 law enforcement authorities. The bill was introduced in response to
38 the reported increase in thefts of scrap metal, correlating with its
39 recent increase in value. It is the sponsor's understanding that
40 investigations by law enforcement officials have been impeded
41 because scrap metal dealers do not require identification for, or
42 keep payment records of, their transactions.

43

44 Under the bill, operators of scrap metal businesses would be
45 required to verify the identity of individuals delivering or selling
46 scrap metal against government-issued identification and maintain
47 records of all scrap metal receivings or purchases for five years.
48 These records would be accessible to law enforcement agencies or
officials investigating the possible theft or resale of scrap metals.

S1781 CONNORS, GIRGENTI

4

1 The bill would also authorize State, county, and municipal police
2 departments to notify scrap metal businesses of recent thefts of
3 scrap metal and provide the businesses with information to help
4 them identify the stolen materials.

5 Operators of scrap metal business would be required by the bill
6 to immediately report suspicious deliveries or sales of scrap metal,
7 including those suspected to be of stolen materials, to law
8 enforcement authorities, and would be granted immunity for any
9 such reports made in good faith.

10 The bill specifies that violations of the requirements of scrap
11 metal business operators are disorderly persons offenses for a first
12 or second offense, and crimes of the fourth degree for third and
13 subsequent offenses. A disorderly persons offense is punishable by
14 up to six months imprisonment, a \$1,000 fine, or both. A crime of
15 the fourth degree is punishable by up to 18 months imprisonment, a
16 \$10,000 fine, or both.

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1781

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 23, 2008

The Assembly Regulated Professions Committee reports favorably Senate, No. 1781 (2R) with committee amendments.

As amended, this bill requires operators of scrap metal businesses to maintain certain records and report suspicious deliveries or sales to law enforcement authorities. Under the bill, operators of scrap metal businesses are required to verify the identity of individuals delivering or selling scrap metal against government-issued identification and maintain records of all scrap metal receipts or purchases in excess of 100 pounds or \$50, whichever is less, for five years. These records would be accessible to law enforcement agencies or officials investigating the possible theft or resale of scrap metals.

The bill also authorizes State, county, and municipal police departments to notify scrap metal businesses of recent thefts of scrap metal and provide the businesses with information to help them identify the stolen materials.

Operators of scrap metal businesses are required by the bill to report to an appropriate law enforcement authority the delivery or sale of scrap metal under circumstances that would cause a reasonable person to believe the scrap metal was probably stolen or otherwise inappropriately obtained, and would be granted immunity for any such reports made in good faith.

The bill specifies that violations of its provisions are disorderly persons offenses for a first or second offense, and crimes of the fourth degree for third and subsequent offenses. A disorderly persons offense is punishable by up to six months imprisonment, a \$1,000 fine, or both. A crime of the fourth degree is punishable by up to 18 months imprisonment, a \$10,000 fine, or both.

This bill, as reported by the committee, is identical to Assembly Committee Substitute for A-2706, A-2738 and A-2741.

COMMITTEE AMENDMENTS:

The committee amended the bill to clarify that the Attorney General is authorized, but not required, to promulgate regulations.

The committee also amended the bill to limit the requirement for recording receipts or purchases of scrap metal to those transactions in excess of 100 pounds or \$50, whichever is less.

SENATE LAW AND PUBLIC SAFETY AND VETERANS'
AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 1781

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 15, 2008

The Senate Law and Public Safety and Veterans' Affairs Committee reports favorably and with committee amendments Senate Bill No. 1781.

This bill would require operators of scrap metal businesses to maintain certain records and report suspicious deliveries or sales to law enforcement authorities. The bill was introduced in response to the reported increase in thefts of scrap metal, correlating with its recent increase in value. It is the sponsor's understanding that investigations by law enforcement officials have been impeded because scrap metal dealers do not require identification for, or keep payment records of, their transactions.

Under the bill, operators of scrap metal businesses would be required to verify the identity of individuals delivering or selling scrap metal against government-issued identification and maintain records of all scrap metal receipts or purchases for five years. These records would be accessible to law enforcement agencies or officials investigating the possible theft or resale of scrap metals.

The bill would also authorize State, county, and municipal police departments to notify scrap metal businesses of recent thefts of scrap metal and provide the businesses with information to help them identify the stolen materials.

Operators of scrap metal businesses would be required by the bill to immediately report suspicious deliveries or sales of scrap metal, including those suspected to be of stolen materials, to law enforcement authorities, and would be granted immunity for any such reports made in good faith.

The bill specifies that violations of the requirements of scrap metal business operators are disorderly persons offenses for a first or second offense, and crimes of the fourth degree for third and subsequent offenses. A disorderly persons offense is punishable by up to six months imprisonment, a \$1,000 fine, or both. A crime of the fourth

degree is punishable by up to 18 months imprisonment, a \$10,000 fine, or both.

The committee amendments are technical in nature.

STATEMENT TO
[First Reprint]
SENATE, No. 1781

with Senate Floor Amendments
(Proposed By Senator CONNORS)

ADOPTED: JUNE 12, 2008

Senate Bill No. 1781 (1R) requires operators of scrap metal businesses to maintain certain records and report suspicious deliveries or sales to law enforcement authorities.

The bill requires operators of scrap metal businesses to immediately report suspicious deliveries or sales of scrap metal, including those suspected to be of stolen materials, to law enforcement authorities. Under this Senate amendment, operators of scrap metal businesses are required to report to an appropriate law enforcement authority the delivery or sale of scrap metal under circumstances that would cause a reasonable person to believe the scrap metal was probably stolen or otherwise inappropriately obtained.

A2706 CONNERS, LOVE

3

1 scrap metal, to effectuate the purposes of P.L. , c. (C.)
2 (pending before the Legislature as this bill).

3

4 4. The operator of a scrap metal business shall immediately
5 report any suspicious delivery or sale of scrap metal, including, but
6 not limited to the delivery or sale of scrap metal suspected to be
7 stolen or otherwise inappropriately obtained, to the appropriate law
8 enforcement agency.

9

10 5. Notwithstanding any provision of the law to the contrary,
11 any person who reports information to a law enforcement official or
12 agency concerning the suspect delivery or sale of scrap metal shall
13 be immune from any civil liability on account of the report, unless
14 such person has acted in bad faith or with malicious purpose.

15

16 6. a. A person who violates sections 2 or 4 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill) is guilty of
18 a crime of the fourth degree.

19 b. Notwithstanding the provisions of any other law, a conviction
20 under section 2 or 4 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) shall not merge with a conviction of any
22 other criminal offense, and the court shall impose separate
23 sentences upon each violation of this section and any other criminal
24 offense.

25

26 7. The Attorney General, pursuant to the provisions of the
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
28 seq.), shall promulgate rules and regulations necessary to
29 implement P.L. , c. (C.) (pending before the Legislature as
30 this bill).

31

32 8. This act shall take effect on the first day of the seventh
33 month following enactment, but the Attorney General may take
34 such anticipatory acts in advance of that date as may be necessary
35 for the timely implementation of this act.

36

37

38 SPONSOR'S STATEMENT

39

40 This bill would require operators scrap metal businesses to
41 maintain certain records and report suspicious deliveries or sales to
42 law enforcement authorities. The bill was introduced in response to
43 the reported increase in thefts of scrap metal, correlating with its
44 recent increase in value.

45 Under the bill, operators of scrap metal businesses would be
46 required to verify the identity of individuals delivering or selling
47 scrap metal against government-issued identification and maintain
48 records of all scrap metal receivings or purchases for five years.

A2706 CONNERS, LOVE

4

1 These records would be accessible to law enforcement agencies or
2 officials investigating the possible theft or resale of scrap metals.

3 The bill would also authorize State, county, and municipal police
4 departments to notify scrap metal businesses of recent thefts of
5 scrap metal and provide the businesses with information to help
6 them identify the stolen materials.

7 Operators of scrap metal business would be required by the bill
8 to immediately report suspicious deliveries or sales of scrap metal,
9 including those suspected to be of stolen materials, to law
10 enforcement authorities, and would be granted immunity for any
11 such reports made in good faith.

12 The bill specifies that violations of the requirements of scrap
13 metal business operators are crimes of the fourth degree. In
14 addition, the bill states that violations under this bill are not to
15 merge with any other criminal offense, and that courts must impose
16 separate sentences for each violation under this bill and other
17 criminal offenses. A crime of the fourth degree is punishable by up
18 to 18 months imprisonment, a \$10,000 fine, or both.

A2738 RUMPF, VAN PELT

1 scrap metal, to effectuate the purposes of P.L. , c. (C.)
2 (pending before the Legislature as this bill).

3
4 4. The operator of a scrap metal business shall immediately
5 report any suspicious delivery or sale of scrap metal, including, but
6 not limited to the delivery or sale of scrap metal suspected to be
7 stolen or otherwise inappropriately obtained, to the appropriate law
8 enforcement agency.

9
10 5. Notwithstanding any provision of the law to the contrary, any
11 person who reports information to a law enforcement official or
12 agency concerning the suspect delivery or sale of scrap metal shall
13 be immune from any civil liability on account of the report, unless
14 such person has acted in bad faith or with malicious purpose.

15
16 6. Violations of sections 2 or 4 of P.L. , c. (C.) (pending
17 before the Legislature as this bill) are disorderly persons offenses
18 for a first or second offense, and crimes of the fourth degree for
19 third and subsequent offenses.

20
21 7. The Attorney General, pursuant to the provisions of the
22 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
23 seq.), shall promulgate rules and regulations necessary to
24 implement P.L. , c. (C.) (pending before the Legislature as
25 this bill).

26
27 8. This act shall take effect on the first day of the seventh month
28 following enactment, but the Attorney General may take such
29 anticipatory acts in advance of that date as may be necessary for the
30 timely implementation of this act.

31
32
33 SPONSOR'S STATEMENT

34
35 This bill would require operators of scrap metal businesses to
36 maintain certain records and report suspicious deliveries or sales to
37 law enforcement authorities. The bill was introduced in response to
38 the reported increase in thefts of scrap metal, correlating with its
39 recent increase in value. It is the sponsor's understanding that
40 investigations by law enforcement officials have been impeded
41 because scrap metal dealers do not require identification for, or
42 keep payment records of, their transactions.

43 Under the bill, operators of scrap metal businesses would be
44 required to verify the identity of individuals delivering or selling
45 scrap metal against government-issued identification and maintain
46 records of all scrap metal receivings or purchases for five years.
47 These records would be accessible to law enforcement agencies or
48 officials investigating the possible theft or resale of scrap metals.

A2738 RUMPF, VAN PELT

4

1 The bill would also authorize State, county, and municipal police
2 departments to notify scrap metal businesses of recent thefts of
3 scrap metal and provide the businesses with information to help
4 them identify the stolen materials.

5 Operators of scrap metal business would be required by the bill
6 to immediately report suspicious deliveries or sales of scrap metal,
7 including those suspected to be of stolen materials, to law
8 enforcement authorities, and would be granted immunity for any
9 such reports made in good faith.

10 The bill specifies that violations of the requirements of scrap
11 metal business operators are disorderly persons offenses for a first
12 or second offense, and crimes of the fourth degree for third and
13 subsequent offenses. A disorderly persons offense is punishable by
14 up to six months imprisonment, a \$1,000 fine, or both. A crime of
15 the fourth degree is punishable by up to 18 months imprisonment, a
16 \$10,000 fine, or both.

1 c. Nothing in P.L. , c. (C.) (pending before the
2 Legislature as this bill) shall preclude an indictment and conviction
3 for any other offense defined by the laws of this State.

4
5 7. This act shall take effect on the first day of the seventh month
6 following enactment.

7
8
9 SPONSOR'S STATEMENT

10
11 This bill would regulate scrap metal recyclers in an attempt to
12 curtail the theft and sale of increasingly valuable scrap metal.

13 Under the bill, scrap metal recyclers would be required to
14 maintain certain records of scrap metal purchases for one year,
15 including information gathered from the seller's identification, a
16 description of the metal purchased, and the consideration paid.
17 These records would be accessible to law enforcement agencies or
18 officials or for use in legal proceedings.

19 The bill also specifies a list of certain types of scrap metal which
20 scrap metal recyclers would not be allowed to purchase without
21 reasonable, written documentation indicating that the seller is the
22 legal owner of the scrap metal, an employee or agent of the owner,
23 or otherwise authorized to sell the scrap metal on behalf of the
24 owner.

25 The bill would also authorize individuals to notify scrap metal
26 recyclers of nonferrous metal which has been stolen, or is believed
27 to have been stolen, along with detailed information concerning the
28 theft and metal. Scrap metal recyclers who receive such notices
29 would be required to notify the appropriate law enforcement
30 agencies if they purchase, or are offered for sale, nonferrous metal
31 products meeting the description within 90 days of the notice.

32 Finally, the bill would prohibit scrap metal recyclers from
33 purchasing or receiving scrap metal from minors, unless the minors
34 are accompanied by their parents or guardians, who state, in
35 writing, that the transactions are taking place with their full
36 knowledge and consent. Such statements would have to be kept on
37 file by scrap metal recyclers for at least three years, and would be
38 available for inspection to law enforcement officials or agencies,
39 upon request.

40 The bill specifies that violations, or knowingly providing false
41 information for the required records would be disorderly persons
42 offenses. A disorderly persons offense is punishable by up to six
43 months imprisonment, a \$1,000 fine, or both.

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, Nos. 2706, 2738 and 2741

STATE OF NEW JERSEY

DATED: OCTOBER 23, 2008

The Assembly Regulated Professions Committee reports favorably Assembly Committee Substitute for Assembly Nos. 2706, 2738 and 2741.

This committee substitute requires operators of scrap metal businesses to maintain certain records and report suspicious deliveries or sales to law enforcement authorities. Under the substitute, operators of scrap metal businesses are required to verify the identity of individuals delivering or selling scrap metal against government-issued identification and maintain records of all scrap metal receipts or purchases in excess of 100 pounds or \$50, whichever is less, for five years. These records would be accessible to law enforcement agencies or officials investigating the possible theft or resale of scrap metals.

The substitute also authorizes State, county, and municipal police departments to notify scrap metal businesses of recent thefts of scrap metal and provide the businesses with information to help them identify the stolen materials.

Operators of scrap metal businesses are required by the substitute to report to an appropriate law enforcement authority the delivery or sale of scrap metal under circumstances that would cause a reasonable person to believe the scrap metal was probably stolen or otherwise inappropriately obtained, and would be granted immunity for any such reports made in good faith.

The substitute specifies that violations of its provisions are disorderly persons offenses for a first or second offense, and crimes of the fourth degree for third and subsequent offenses. A disorderly persons offense is punishable by up to six months imprisonment, a \$1,000 fine, or both. A crime of the fourth degree is punishable by up to 18 months imprisonment, a \$10,000 fine, or both.

The substitute is identical to S-1781(2R), as amended and reported by the committee.