

SCRAP METAL REGULATORY ACT (EXCERPT)
Act 429 of 2008

445.426 Payment methods for certain purchase transactions; electronic database; requirements; single shared electronic database; determination or selection by department of state police; objection; filing petition; hearing; duties of scrap metal dealer upon implementation and operation of database; payment.

Sec. 6.

(1) In a purchase transaction of any of the following items, the only methods of payment a scrap metal dealer may use to pay a seller are a direct deposit or electronic transfer to the seller's account at a financial institution; subject to subsection (5), payment with a check or money order described in section 5(1)(a)(i); or, subject to subsection (5), payment with an electronic payment card or encrypted receipt described in section 5(1)(a)(ii):

(a) Catalytic converters, unless the seller is an automotive recycler as defined in section 2a of the Michigan vehicle code, 1949 PA 300, MCL 257.2a; a manufacturer or wholesaler of catalytic converters; or a muffler shop, tire store, or other retail business that sells converters separately or as part of an exhaust system.

(b) Air conditioners, air conditioner evaporator coils or condensers, or parts of air conditioner evaporator coils and condensers.

(c) Copper wire, including copper wire that is burned in whole or in part to remove the insulation, copper pipe, or copper fittings.

(2) Representatives of a group of companies in the scrap metal industry, at their expense, may in consultation with the department of state police develop or contract for the development of, and if selected by the department of state police under subsection (3) may implement, operate, and maintain, an electronic database that meets all of the following:

(a) Is available to all scrap metal dealers in this state.

(b) Is web-based.

(c) Has the capability to conduct statewide real-time searches by item description or seller.

(d) Is accessible to law enforcement agencies through a password supported, internet-based platform.

(e) Allows a scrap metal dealer to report all of the following information concerning the purchase of 1 or more of the items described in subsection (1)(a) to (c) by 12 noon of the next business day after the purchase transaction of the item or items:

(i) Name and address of the scrap metal dealer and seller.

(ii) Date and time of the purchase transaction.

(iii) A description of the item or items purchased.

(iv) The weight or volume of the item or items purchased.

(f) Allows a law enforcement agency to flag the name of any seller that appears in the database and who is an individual who has been convicted of a crime involving the theft, conversion, or sale of scrap metal; and, if a law enforcement agency has flagged the name of that convicted seller, to notify the law enforcement agency if he or she is the seller in subsequent purchase transactions and provide the agency all of the information about that convicted seller and his or her purchase transactions that scrap metal dealers have reported to the database.

(3) If 1 or more electronic databases are developed under subsection (2), the department of state police shall determine, and shall notify each group of companies in the scrap metal industry that developed a database or contracted for its development, whether the features of the electronic database meet the requirements of subsection (2)(a) to (f); and shall select a single shared electronic database that meets the requirements of subsection (2)(a) to (f) for implementation and operation in this state for purposes of subsection (4). A person that objects to a determination or selection by the department of state police under this subsection may file a petition with the department that describes the basis of the person's objection. If a person files a petition under this subsection, the department of state police shall provide that person an opportunity for an administrative hearing. The hearing shall be conducted as a contested case under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(4) If a single shared electronic database selected by the department of state police is implemented under subsection (3), beginning not later than 30 days after the database is implemented and in operation, as determined by the department of state police, and after the department of state police publishes notice that the database is implemented and in operation, a scrap metal dealer shall do all of the following:

(a) Register or subscribe to the database and pay a reasonable fee for that registration or subscription.

(b) By 12 noon of the next business day after a purchase transaction of 1 or more items described in subsection (1)(a) to (c) occurs, electronically report the purchase of the item or items to the database. The report described in this subdivision shall include all of the information described in subsection (2)(e). A scrap metal dealer is not required to report the consideration paid for the item or items or other pricing information for inclusion in the database.

(5) If the purchase price in a purchase transaction described in subsection (1) is \$25.00 or more, or if the purchase price for all of a seller's purchase transactions described in subsection (1) in a business day is \$25.00 or more, the scrap metal dealer must pay the seller, for those items described in subsection (1) only, by mailing 1 of the following items to the seller at the address shown on the identification card presented under section 5(2)(a), and shall not deliver that payment in person or using any other form of delivery:

- (a) A check or money order described in section 5(1)(a)(i).
- (b) An electronic payment card or encrypted receipt described in section 5(1)(a)(ii).
- (c) A nontransferable receipt that the seller may redeem at the scrap dealer's premises for 1 of the items described in subdivision (a) or (b).

History: Add. 2014, Act 99, Eff. July 1, 2014 ;-- Am. 2015, Act 80, Imd. Eff. June 16, 2015