Sec. 13. (1) If a person violates section 7, or section 9, and knows or should have known that the person has violated that section, the person is guilty of a misdemeanor punishable by a fine of not more than $500.00 or imprisonment for not more than 93 days, or both. If a violation of section 7 is the result of a malfunction of an electronic record-keeping system described in section 7(4), it is an affirmative defense in an action against the scrap metal dealer that utilizes that system that the dealer diligently pursued repair of the electronic record-keeping system after the malfunction occurred, and implemented and maintained a manual record-keeping system for purchase transactions that occurred while the electronic record-keeping system was malfunctioning.

(2) In connection with a purchase transaction, each of the following is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than $5,000.00, or both, for a first offense and is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than $10,000.00, or both, for a second or subsequent offense:

(a) A scrap metal dealer that purchases scrap metal or an item of property described in section 10 and knew or should have known that it was stolen.

(b) A person that sells scrap metal or an item of property described in section 10 to a scrap metal dealer and knew or should have known that it was stolen.

(3) By July 1, 2016, the department of state police shall provide a written report to the governor, the speaker of the house of representatives, and the senate majority leader concerning that department's assessment of the effectiveness of this act in reducing scrap metal theft and assisting in the investigation and prosecution of scrap metal theft. The report shall also include any recommendations the department of state police may have for further legislative action.