

SUBSTITUTE FOR  
SENATE BILL NO. 713

A bill to amend 1917 PA 350, entitled  
"An act to regulate and license second hand dealers and junk  
dealers; and to prescribe penalties for the violation of the  
provisions of this act,"  
by amending sections 2 and 3 (MCL 445.402 and 445.403), section 2  
as amended by 2008 PA 432 and section 3 as amended by 2006 PA 675.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2. (1) ~~The~~ **EXCEPT AS PROVIDED IN SUBSECTION (2), THE**  
2   mayor of a city or chief executive officer of a county or village  
3   may grant ~~to any person, corporation, copartnership, or firm,~~ a  
4   license **TO A PERSON** authorizing that person ~~, corporation,~~  
5   ~~copartnership, or firm~~ to carry on the business of a second hand  
6   dealer or junk dealer subject to the provisions of this act.  
7           (2) **BY ORDINANCE OR OTHERWISE, A CITY, COUNTY, OR VILLAGE**  
8   **SHALL NOT REGULATE, AS A SECOND HAND DEALER OR JUNK DEALER, A**  
9   **PERSON EXCLUDED FROM THE DEFINITION OF SECOND HAND DEALER OR JUNK**  
10  **DEALER UNDER SECTION 3 (G) (ii) OR REQUIRE THAT PERSON TO OBTAIN A**

1 LICENSE TO CARRY ON ITS BUSINESS IN THAT CITY, COUNTY, OR VILLAGE.

2 (3) ~~The license~~ **A LICENSE DESCRIBED IN SUBSECTION (1)**  
 3 shall designate the ~~particular place~~ **LOCATION** where ~~that person,~~  
 4 ~~corporation, copartnership, or firm shall carry on that~~ **THE**  
 5 **LICENSEE MAY CONDUCT THE SECOND HAND OR JUNK DEALER** business. The  
 6 **LICENSEE SHALL ONLY CONDUCT THAT** business ~~shall be conducted only~~  
 7 ~~in the place~~ **AT THE LOCATION** designated in the license.

8 (4) ~~The license shall be for the period of~~ **TERM OF A**  
 9 **LICENSE DESCRIBED IN SUBSECTION (1) IS** 1 year from date of issuance  
 10 unless sooner revoked for cause. ~~and~~ **THE LICENSE** is not  
 11 transferable.

12 (5) The legislative body of any city ~~,~~ or the trustees and  
 13 chief executive officer of any county or village ~~,~~ shall establish  
 14 the fee for ~~the processing and issuance of the~~ **ISSUING A** license ~~in~~  
 15 ~~accordance with~~ **DESCRIBED IN SUBSECTION (1) IN THE MANNER**  
 16 **PRESCRIBED IN** its charter or local ordinance ~~,~~ ~~based upon~~ **AND SHALL**  
 17 **BASE THE AMOUNT OF THE FEE ON** the cost of ~~issuance~~ **ISSUING** and  
 18 ~~administration of~~ **ADMINISTERING** that license.

19 (6) ~~The~~ **A** city, village, or county **THAT ISSUES A LICENSE**  
 20 **DESCRIBED IN SUBSECTION (1)** may inspect the premises of ~~a~~ **THE**  
 21 licensed second hand or junk dealer during normal business hours.

22 Sec. 3. As used in this act:

23 (a) "Automotive recycler" means ~~a~~ **ANY OF THE FOLLOWING:**

24 (i) **A** person ~~who~~ **THAT** engages in business primarily for the  
 25 purpose of selling retail salvage vehicle parts and secondarily for  
 26 the purpose of selling retail salvage motor vehicles or  
 27 manufacturing or selling a product of gradable scrap metal. ~~or a~~

1           (ii) A person employed as a salvage vehicle agent as that term  
2 is defined in section 56c of the Michigan vehicle code, 1949 PA  
3 300, MCL 257.56c.

4           (b) "Industrial scrap" means materials that are a direct  
5 product or by-product of any form of manufacturing, shaping, or  
6 cutting process from a person ~~, company, corporation,~~  
7 ~~partnership, or firm~~ whose principal business is the  
8 manufacturing, shaping, or cutting of materials at a fixed place of  
9 business.

10           (c) "Internet drop-off store" means a person ~~, corporation, or~~  
11 ~~firm~~ that contracts with other persons ~~, corporations, or firms~~ to  
12 offer its personal property or other valuable thing for sale,  
13 purchase, consignment, or trade through means of an internet  
14 website and meets the conditions described in section 1(3).

15           (d) "Local law enforcement agency" means the police agency of  
16 ~~the~~ A city, village, or township, or if none, the county sheriff of  
17 the county in which the ~~internet drop-off store conducts~~  
18 ~~business.~~ **CITY, VILLAGE, OR TOWNSHIP IS LOCATED.**

19           **(E) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION,**  
20 **LIMITED LIABILITY COMPANY, ASSOCIATION, OR OTHER LEGAL ENTITY.**

21           **(F)** ~~(e)~~ "Scrap processor" means a person, utilizing machinery  
22 and equipment and operating from a fixed location, whose principal  
23 business is the processing and manufacturing of iron, steel,  
24 nonferrous metals, paper, plastic, or glass, into prepared grades  
25 of products suitable for consumption by recycling mills, foundries,  
26 and other scrap processors.

27           **(G)** ~~(f)~~ "Second hand dealer" or "junk dealer" means any person

1 ~~, corporation, or member or members of a copartnership or firm~~  
2 whose principal business is that of purchasing, selling,  
3 exchanging, storing, or receiving second hand articles of any kind,  
4 scrap metals, cast iron, old iron, old steel, tool steel, aluminum,  
5 copper, brass, lead pipe or tools, or lighting and plumbing  
6 fixtures. Second hand dealer or junk dealer does not include a ~~ANY~~  
7 **OF THE FOLLOWING:**

8       (i) A scrap processor, an automotive recycler, or a junkyard  
9 that deals principally in industrial scrap and is licensed by a  
10 city, village, or county.

11       (ii) **A RETAIL STORE OR BUSINESS THAT DEALS PRIMARILY IN THE**  
12 **PURCHASE AND RESALE OF SECOND HAND CLOTHING, CHILDREN'S FURNITURE**  
13 **AND EQUIPMENT, CHILDREN'S TOYS, SPORTING GOODS, OR MUSICAL**  
14 **INSTRUMENTS. AS USED IN THIS SUBPARAGRAPH, "SPORTING GOODS" DOES**  
15 **NOT INCLUDE FIREARMS.**