

# SENATE BILL No. 713

October 4, 2011, Introduced by Senators NOFS, PAPPAGEORGE, SCHUITMAKER, WARREN, WALKER, KOWALL, GREEN, JANSEN, GLEASON, ROBERTSON, BRANDENBURG, PAVLOV and COLBECK and referred to the Committee on Regulatory Reform.

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 mayor of a city or chief executive officer of  
2 a county or village may grant ~~to any person, corporation,~~  
3 ~~copartnership, or firm,~~ a license **TO A PERSON** authorizing that  
4 person ~~, corporation, copartnership, or firm~~ to carry on the  
5 business of a second hand dealer or junk dealer subject to the  
6 provisions of this act. **THE IMPLEMENTING ORDINANCE OF THE CITY,**  
7 **COUNTY, OR VILLAGE SHALL NOT CONTAIN PROVISIONS IN CONFLICT WITH OR**  
8 **MORE STRINGENT THAN THIS ACT.**

9       (2) ~~The license~~ **A LICENSE DESCRIBED IN SUBSECTION (1)** shall

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

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

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

16 (5) ~~(4) The~~ **A** city, village, or county **THAT ISSUES A LICENSE**  
 17 **DESCRIBED IN SUBSECTION (1)** may inspect the premises of a ~~THE~~  
 18 licensed second hand or junk dealer during normal business hours.

19 Sec. 3. As used in this act:

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

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

25 (ii) **A** person employed as a salvage vehicle agent as that term  
 26 is defined in section 56c of the Michigan vehicle code, 1949 PA  
 27 300, MCL 257.56c.

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

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

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

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

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

24 **(G)** ~~(f)~~ "Second hand dealer" or "junk dealer" means any person  
25 ~~, corporation, or member or members of a copartnership or firm~~  
26 whose principal business is that of purchasing, selling,  
27 exchanging, storing, or receiving second hand articles of any kind,

1 scrap metals, cast iron, old iron, old steel, tool steel, aluminum,  
2 copper, brass, lead pipe or tools, or lighting and plumbing  
3 fixtures. Second hand dealer or junk dealer does not include a ~~ANY~~

4 **OF THE FOLLOWING:**

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

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