

**La Porte County Precious Metal, Valuable Metal, Scrap Metal, Pawn,
and Second-Hand Retailer Ordinance** 2020-1

Section 1: Applicability

1.01 This applies to any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined below.

Section 2: Definitions

2.01 Law Enforcement Officer - As defined under I.C. 35-31.5-2-185.

2.02 Law Enforcement Purposes - The investigation of criminal activity by a Law Enforcement Officer.

2.03 Pawnbroker - Pawnbroker shall have the same meaning as pawnshop.

2.04 Pawnshop - Any person, partnership, association, or corporation lending money on the deposit or pledge of personal property, or who deals in the purchase of personal property on the condition of selling the property back again at a stipulated price, other than choose in action, securities, or printed evidence of indebtedness.

2.05 Person - An individual, a firm, an association, a limited liability company, a partnership, a joint stock association, sole proprietorship, joint venture, unincorporated organization, a trust, a corporation, or any other form of entity.

2.06 Pledge - Providing goods, articles, or things as security for a loan or obligation.

2.07 Precious Metal - Any items containing precious metals, including but not limited to silver, gold and platinum; or containing gems including, but not limited to, diamonds, rubies or emeralds.

2.08 Precious Metal Dealer - A person who engages in the business of purchasing precious metal for the purpose of reselling the precious metal in any form.

2.09 Scrap Metal - Any items containing scrap metals, including but not limited to iron, steel, copper, brass, aluminum, zinc, magnesium, tin, nickel, and lead.

2.10 Scrap Metal Dealer - Any person engaged in the business of purchasing and reselling scrap metal either at a permanently established place of business or in connection with a business of an itinerant nature, including junk shops, junkyards, junk stores, scrap metal dealers or processors, salvage yards, collectors of or dealers in junk and junk cars or trucks, or the seller of any scrap metals originating from a building structure.

2.11 Scrapyard - Any establishment or place of business which is maintained, operated, or used for storing, keeping, buying, or selling scrap metals, building materials, rope, rags, batteries,

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paper trash, rubber debris, waste. This term shall not be construed or applicable to foundry manufacturing businesses or plants. The term scrapyards will apply in general to any business or establishment concerned mainly or primarily with the storage, processing, recycling or salvaging of used or secondhand materials.

2.12 Secondhand Retailer - Any person who engages in the business of purchasing, selling, or exchanging secondhand goods or articles.

2.13 Transaction - The instance of buying an item or items in a singular event.

2.14 Valuable Metal - Copper, titanium, stainless steel, copper alloy or brass, formed as a bar, cable, rod, tubing, wire, wire scrap, clamp, connector, bushing or bearing or other appurtenances utilized or that can be utilized by persons, firms, corporations or municipal corporations engaged in either the generation, transmission or distribution of electric energy, in telephone, telegraph or other communications, or by railroads; or any copper, copper alloy or brass, or aluminum materials utilized for the purpose of plumbing, storm doors and windows, siding, or gutters of building structures or automotive parts.

2.15 Valuable Metal Dealer - Any person engaged in the business of purchasing and reselling valuable metal either at a permanently established place of business or in connection with a business of an itinerant nature, including junk shops, junkyards, junk stores, auto wreckers, scrap metal dealers or processors, salvage yards, collectors of or dealers in junk and junk cars or trucks, or the seller of any valuable metals originating from a building structure.

Section 3: Records of Purchases

3.01 Every person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyards, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above, shall maintain all records of any and all transactions generated.

These records shall be uploaded to a third-party vendor to be determined and approved by the La Porte County Sheriff. Such records shall be posted daily by the end of the business day. If a technical malfunction occurs during the posting and uploading of records, it is the responsibility of the person uploading the information to contact the La Porte County Sheriff's Office and report such malfunction and to maintain a hard copy of such records and make them available for inspection by the La Porte County Sheriff's Office. The dealer shall obtain and report the following information:

- (1) The date and time of each purchase.
- (2) An accurate account and description of the item(s) being sold and or pledged. This is to include, but is not limited to size, weight, trade name, serial number, manufacturers identification number, brand name, model number, cellular FCC ID or IMEI, notations of any distinguishing markings, damage, or characteristics that may be unique to that item(s).
- (3) The price paid for the item(s) only for law enforcement purposes.

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(4) The dealer shall further require the seller be properly identified with one verifiable piece of current identification that shows name, address, sex, race and date of birth, which shall be government issued photographic identification. A color photograph shall be taken of the identification.

(5) A description of any vehicle used in transportation of the scrap metal, valuable metal, or precious metal if that vehicle is used in the weight calculation of the metal. The description should include color, make, model and license plate number with state.

(6) A color photograph of the item(s) being sold or pledged.

(7) A color photograph of the person from whom the purchase was made.

(8) All information required by the La Porte County Sheriff's Office to be preserved on paper, electronic or computer data system shall be open at all times during the business hours to the inspection of the La Porte County Sheriff's to examine such records. Such information shall be retained on the business premises of the dealer for a minimum period of two years from date of purchase.

3.02 Every person who owns, operates, or otherwise acts as a scrapyard or scrap metal dealer shall report transactions as defined in 3.01.

The dealer shall obtain and report the following:

(1) The date and time of each purchase.

(2) If applicable (no identifiers, i.e. serial numbers exist), an accurate account and description of the scrap metal purchased, including the weight and whether it consists of scrap, bar, cable, rod, tubing, wire, wire scrap, clamp, connector, auto parts or other appurtenances or some combination thereof; or the type of building materials purchased.

(3) The price paid for the scrap metal; price shall be disclosed only for law enforcement purposes.

(4) The dealer shall further require the seller be properly identified with one verifiable piece of current identification that shows name, address, sex, race and date of birth, which shall be government issued photographic identification. The identification shall be documented.

(5) A description of any vehicle used in transportation of the scrap metal, if that vehicle is used in the weight calculation of the scrap metal. The description should include color, make, model and license plate number with state.

(6) All information required by the La Porte County Sheriff's Office to be preserved on paper, electronic or computer data system shall be open at all times during the business hours to the inspection of the La Porte County Sheriffs to examine such records. Such information shall be retained on the business premises of the scrap metals dealer for a minimum period of two years from date of purchase.

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Section 4: Retention Before Sale or Disposition

4.01 All item(s) purchased or pledged by person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above, shall be retained at the place of business of the dealer, by the proprietor, manager, or employee for a period of not less than 15 days after its receipt before any such goods or articles may be disposed of or sold.

4.02 Any person who owns a scrap yard, and or operates solely as a scrap metal dealer, shall not be subject to the required retention outlined in section 4.01. However, any business who operates as a scrap metal dealer, as well as a precious metal dealer and or a valuable metal dealer must retain the precious and valuable metals as outlined in section 4.01.

Section 5: Items Held for Identification & Restitution

5.01 The La Porte County Sheriff's Office, or any law enforcement officer acting within accordance of their duty, may in in their discretion order any item(s), which they shall have reason to believe were not pledged by or purchased from the lawful owner, to be held for the purpose of identification by the lawful owner for such length of time as he or she shall deem necessary for the identification; provided, that no such item(s) shall be held more than 30 calendar days. If it is determined the item(s) were not pledged by or purchased from the lawful owner, then such item(s) shall be surrendered to the La Porte County Sheriff's Office, or any law enforcement officer acting within accordance of their duty, upon request.

5.02 If the La Porte County Sheriff's Office, or any law enforcement officer acting within accordance of their duty, confiscates any item(s) from a dealer, there will be a good faith attempt to obtain restitution for the dealer in the amount provided for the purchase of the item(s). The dealer will be considered a victim in any criminal proceedings and will be afforded such rights provided to all victims of criminal proceedings.

Section 6: Prohibition of Sales to Minors

6.01 It shall be unlawful for any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above to take or purchase any item(s) from any person who is under the age of 18 years.

Section 7: Implementation

7.01 Any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above operating before this section was passed by the La Porte County Commission shall have an implementation period of not more than 60 days after the La Porte County Sheriff's Office provides written instructions on how to properly report transactions using the third party as determined and approved by the La Porte County Sheriff.

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7.02 Any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above operating after this section was passed by the La Porte County Commission shall post and upload transaction records to the selected Third party vendor beginning on the first day of operations in accordance with Section 3.

7.03 Any third party agent acting on behalf of and under contract by the La Porte County Sheriff's Office may not collect fees or other compensation from any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer as previously defined in return for the use of its services. The third party may not require any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer to purchase, lease or install any additional software or to purchase, lease or otherwise obtain any additional computer hardware.

(1) The third party must agree to provide technical and customer support to any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer free of charge for purposes of compliance;

(2) Payment for the services of a third party must come directly from the La Porte County Sheriff's Office or other authorized government entity that seeks to use a third party for implementation and compliance.

Section 8: Annual Inspection & Penalty

8.01 Annual Inspection - Any person who owns, operates, or otherwise acts as a precious and or valuable metals dealer, scrapyard, scrap metal dealer, pawnshop, and or a secondhand retailer in accordance with such terms as defined above shall be subject to a minimum of 1 random inspection by the La Porte County Sheriff's Office within the calendar year. The inspection shall consist of the following:

(1) A physical examination of records from a specific date, as chosen by the La Porte County Sheriff's Office, for comparison to the data transmitted to the third party as directed by the La Porte County Sheriff.

8.02 Penalty – Whoever violates any provisions of this section after receiving a written warning from law enforcement, shall be fined \$100 for the first offense, \$500 for the second offense within a calendar year of the first offense, and \$1,500 for each additional offense within a calendar year of the first offense. A separate offense shall be deemed committed on each transaction that a violation occurs or continues.

Section 9: Exemptions

9.01 The following will be exempt from this ordinance: any organization designated a federal 501(c), any organization or business who receives 100% of their merchandise for resale from donation, auto resellers, any business operating solely as a towing and or recovery service, and farm implement resellers.

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Resolved this 4th day of March, 2020.

BOARD OF COUNTY COMMISSIONERS OF
LA PORTE COUNTY, INDIANA

Joela M. Stier

Verna L. Co

Richard G. Mrozinski Jr

Attest:

Kimberly L. Stier

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