



New York Metals Theft Statute

This document is provided as background information for ReMA members. It does not constitute legal advice. Recyclers should consult their attorneys / legal advisors regarding the application of each state's statutes and regulations to each company's individual circumstances. Other state laws governing precious metals, secondhand materials, vehicles, and other materials may apply.

Current as of October 24, 2022

Overview of Provisions (use the links to travel directly to that section)

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Please Note: Amendments by [2022 New York S9428](#) are included and noted in this summary. The bill creates new requirements for catalytic converters for dismantlers.

New York General Business Article 6-C governs licensed Scrap Processors; businesses that are not licensed or engaged as scrap metal processors are governed by Article 6 - Junk Dealers. Summaries for the Provisions impacting each are presented separately.

Materials Covered and Other Definitions (edited for clarity and conciseness)

"Junk Metal" means any product made of steel, copper, copper alloy, brass, aluminum, or aluminum alloy that is readily used or useable by a public utility, railroad, county, city or state highway department, public or private school, or an institution of higher education or which has an established market for resale to Scrap Processors.

"Junk Dealer" means any entity engaged in 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, junk yards, junk stores, auto wreckers, salvage yards, collectors of or dealers in junk and junk cars or trucks. "Junk Dealer" and the provisions applying to Junk Dealers do not apply to not apply to any person, association, partnership or corporation duly licensed and engaged in the business of Scrap Processing.

"Scrap Metal Processing Facility" shall mean an establishment engaged primarily in the purchase, processing and shipment of ferrous and/or non-ferrous scrap, the end product of which is the production of raw material for remelting purposes for steel mills, foundries, smelters, refiners, and similar users.

"Scrap Processor" shall mean any person, association, partnership or corporation operating and maintaining a "Scrap Metal Processing Facility".

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Exemptions

The Recordkeeping - Scrap Processor provision exempts transactions less than \$50 that do not involve pig or pigs of metal, bronze or brass castings or parts thereof, sprues or gates or parts thereof, utility wire or brass car journals, or of metal beer kegs.

The Dealer Recordkeeping, Retention, Reporting, and Hold provisions only cover transactions involving any pig or pigs of metal, bronze or brass castings or parts thereof, sprues or gates or parts thereof, copper wire or brass car journals, or metal beer kegs.

The Dealer provisions do not apply to "cities of the first class".

"Junk Dealer" and provisions applying to Dealers do not apply to not apply to entities duly licensed and engaged in the business of Scrap Processing.

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Scrap Processors

License - Scrap Processors

Scrap Processors must obtain a license from the mayor, supervisor, or licensing authority of their city, village, town, or municipality. Licenses expire on June 30 of each year; license fees are \$75 for the Processor's principal place of business or \$50 for other locations.

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Recordkeeping - Scrap Processors

Processors must record any purchase of any pig or pigs of metal, bronze or brass castings or parts thereof, sprues or gates or parts thereof, utility wire or brass car journals, or of metal beer kegs; or any purchase of \$50 or more of ferrous or nonferrous scrap. Processor records must include:

- The Date of purchase;
- Seller's name and residence address;
- The Seller's driver's license number or information from a government-issued photo ID card, if any, "or by such description as will reasonably located the seller";
- The type and quantity of the items purchased;
- Signature of the Seller or their agent.

A Processor must also record a copy of the Seller's government-issued photo ID card used to verify their identity and retain it in a separate book, register, or electronic archive.

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Retention - Scrap Processors

Processor records must be retained for 3 years, except that the copy of the Seller's government-issued photo ID need only be retained for 2 years.

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Inspection - Scrap Processors

Processor records shall be available for inspection by the state or municipal police department in which the establishment is located.

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Penalties - Scrap Processors

A violation by a Scrap Processor is subject to a maximum \$200 fine. A willful violation is a misdemeanor. A Processor shall not be liable for any violation by a Seller, a Seller's agent, or a purported Seller or agent.

Each violation by a Seller or their agent is a misdemeanor.

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Catalytic Converters *(added by S9428)*

Definitions - Catalytic Converters

Under [VAT § 415-A](#), a catalytic converter is considered a "major component part".

A "Vehicle Dismantler" is any person who is engaged in the business of acquiring motor vehicles or trailers for the purpose of dismantling the same for parts or reselling such vehicles as scrap. A Dismantler must register as a dismantler as required by VAT § 415-A and follow all applicable recordkeeping, retention, inspection, and other requirements, including:

- Producing, every 60 days, all records regarding the number of catalytic converters the Dismantler took in within the prior 60-day period subject to the recordkeeping requirements for Dismantlers.
- If a Dismantler has gained money or property by failing to produce records of the number of catalytic converters they take in, the court may order such defendant to pay an amount, fixed by the court, not to exceed double the amount of the defendant's gain from the offense.

A "Scrap Processor" is any person required to be licensed under GBL Article 6-C who purchases material which is or may have been a vehicle or vehicle part for processing into a form other than a vehicle or vehicle part, but who, except as otherwise provided through regulation, does not sell any such material as a motor vehicle, a trailer, or a major component part thereof.

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Certification - Catalytic Converters

A Scrap Processor must give notice to the Commissioner that they are a Processor in compliance with GBL Article 6-C and be certified by the Commissioner.

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Seller Restrictions - Catalytic Converters

A Processor may only purchase material which may have been a vehicle or a major component part of a vehicle, if recognizable as such, from:

- A dealer registered pursuant to [VAT § 415](#) Registration of manufacturers, dealers, repairmen and others.
- An insurance company;
- A governmental agency;
- A person in whose name a certificate of title or other ownership document has been issued for such vehicle; or
- A person registered, certified, or issued an identification number pursuant to [VAT § 415-A](#)

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Recordkeeping - Catalytic Converters

A Processor must maintain a record of vehicles and a record of major component parts by weight coming into their possession in a manner prescribed by the Commissioner; exempts any major component part included in a mixed load.

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Inspection - Catalytic Converters

Upon request of an agent of the Commissioner or any police officer, or during a Processor's regular and usual business hours, a Processor must produce such records and permit the agent or officer to inspect them and any vehicles or major component parts of vehicles at the time of the delivery of such vehicles or parts to the Processor.

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Penalties - Catalytic Converters

Violations of the Scrap Processor requirements are a class A misdemeanor.

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Junk Dealers

License - Junk Dealers

An entity engaged in the business of buying or selling old metal that is not licensed or engaged as a Processor must obtain a Junk Dealer license from the mayor, supervisor, or licensing authority. Licenses expire on June 30 of each year; license fees are \$5. No entity or partnership with a member who has been convicted of larceny, knowingly receiving stolen property, or violating the Junk Dealer provisions may be licensed as a Junk Dealer.

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Recordkeeping - Junk Dealers

Junk Dealers must record the following information for purchases of any pig or pigs of metal, bronze or brass castings or parts thereof, sprues or gates or parts thereof, copper wire or brass car journals, or metal beer kegs:

- A statement of when, where, and from whom the Seller obtained the property;
- Seller's identity as verified by a government ID card and residence address;
- The Seller's driver's license number or information from a government-issued photo ID card, if any, "and otherwise such description as will reasonably locate the same";
- Seller's occupation;
- Name of Seller's employer and place of employment or business;
- Copy of the government-issued photo ID card

The Hold - Dealer provision requires that the hold tag record the date, hour, and place of the transaction and the weight of the material, but such is not required for the record.

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Retention - Junk Dealers

Junk Dealers must retain the copy of the Seller's photo ID for 2 years; retention for the other records is not specified.

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Reporting - Junk Dealers

Junk Dealers must report the record information "forthwith" to the office of the chief of police of a city or village or otherwise in the office of the sheriff of the county where the purchase was made.

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Hold - Junk Dealers

A Junk Dealer must tag and hold any item requiring a record for 5 days in a separate and distinct pile, bundle, or package in their usual place of business, with the tag bearing the name and residence of the Seller, the date, hour, and place of the purchase, and the weight thereof.

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No Purchase from a Child - Junk Dealers

No Junk Dealer or employee may receive or purchase merchandise from a child less than 16 years old, regardless of whether the child acted as an agent or representative of another.

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Penalties - Junk Dealers

Any violation by a Junk Dealer or their employee, and each false statement made on a record or hold tag, is a misdemeanor, and the person convicted shall forfeit their license to do business, except nothing in the Dealer provisions shall apply to cities of the first class.

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References and Recent Amendments

Statutes

- [N.Y. GBS Law Article 6-C](#). Scrap Processors; § 69-e to § 69-h
- [N.Y. GBS Law Article 6](#). Junk Dealers; § 60 to § 64
- Catalytic Converters

- [N.Y. VAT Law Title 4, Article 16, § 415-A](#). Vehicle dismantlers and other persons engaged in the transfer or disposal of junk and salvage vehicles

Recent Amendments

- [2022 NY S9428](#) (effective 180 days after signed)

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