

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Vehicle Code is amended by changing Sections 5-401.3 and 5-403 and adding Sections 1-169.2, 1-169.3, and 5-401.4 as follows:

(625 ILCS 5/1-169.2 new)

Sec. 1-169.2. Recyclable metal. Any copper, brass, or aluminum, or any combination of those metals, purchased by a recyclable metal dealer, irrespective of form or quantity, except that "recyclable metal" does not include: (i) items designed to contain, or to be used in the preparation of, beverages or food for human consumption; (ii) discarded items of non-commercial or household waste; or (iii) gold, silver, platinum, and other precious metals used in jewelry.

(625 ILCS 5/1-169.3 new)

Sec. 1-169.3. Recyclable metal dealer. Any individual, firm, corporation, or partnership engaged in the business of purchasing and reselling recyclable 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, scrap metal dealers or

processors, salvage yards, collectors of or dealers in junk, and junk carts or trucks.

(625 ILCS 5/5-401.3) (from Ch. 95 1/2, par. 5-401.3)

Sec. 5-401.3. Scrap processors and recyclable metal dealers required to keep records.

(a) Every person licensed or required to be licensed as a scrap processor pursuant to Section 5-301 of this Chapter, and every recyclable metal dealer as defined in Section 1-169.3 of this Code, shall maintain for 3 years, at his established place of business, the following records relating to the acquisition of scrap metals or the acquisition of a vehicle, junk vehicle, or vehicle cowl which has been acquired for the purpose of processing into a form other than a vehicle, junk vehicle or vehicle cowl which is possessed in the State or brought into this State from another state, territory or country. No scrap metal processor or recyclable metal dealer shall sell a vehicle or essential part, as such, except for engines, transmissions, and powertrains, unless licensed to do so under another provision of this Code. A scrap processor or recyclable metal dealer who is additionally licensed as an automotive parts recycler shall not be subject to the record keeping requirements for a scrap processor or recyclable metal dealer when acting as an automotive parts recycler.

(1) For a vehicle, junk vehicle, or vehicle cowl acquired from a person who is licensed under this Chapter,

the scrap processor or recyclable metal dealer shall record the name and address of the person, and the Illinois or out-of-state dealer license number of such person on the scrap processor or recyclable metal dealer's ~~processor's~~ weight ticket at the time of the acquisition. The person disposing of the vehicle, junk vehicle, or vehicle cowl shall furnish the scrap processor or recyclable metal dealer with documentary proof of ownership of the vehicle, junk vehicle, or vehicle cowl in one of the following forms: a Certificate of Title, a Salvage Certificate, a Junking Certificate, a Secretary of State Junking Manifest, a Uniform Invoice, a Certificate of Purchase, or other similar documentary proof of ownership. The scrap processor or recyclable metal dealer shall not acquire a vehicle, junk vehicle or vehicle cowl without obtaining one of the aforementioned documentary proofs of ownership.

(2) For a vehicle, junk vehicle or vehicle cowl acquired from a person who is not licensed under this Chapter, the scrap processor or recyclable metal dealer shall verify and record that person's identity by recording the identification of such person from at least 2 sources of identification, one of which shall be a driver's license or State Identification Card, on the scrap processor or recyclable metal dealer's ~~processor's~~ weight ticket at the time of the acquisition. The person disposing of the vehicle, junk vehicle, or vehicle cowl shall furnish the

scrap processor or recyclable metal dealer with documentary proof of ownership of the vehicle, junk vehicle, or vehicle cowl in one of the following forms: a Certificate of Title, a Salvage Certificate, a Junking Certificate, a Secretary of State Junking Manifest, a Certificate of Purchase, or other similar documentary proof of ownership. The scrap processor or recyclable metal dealer shall not acquire a vehicle, junk vehicle or vehicle cowl without obtaining one of the aforementioned documentary proofs of ownership.

(3) In addition to the other information required on the scrap processor or recyclable metal dealer's ~~processor's~~ weight ticket, a scrap processor or recyclable metal dealer who at the time of acquisition of a vehicle, junk vehicle, or vehicle cowl is furnished a Certificate of Title, Salvage Certificate or Certificate of Purchase shall record the vehicle Identification Number on the weight ticket or affix a copy of the Certificate of Title, Salvage Certificate or Certificate of Purchase to the weight ticket and the identification of the person acquiring the information on the behalf of the scrap processor or recyclable metal dealer.

(4) The scrap processor or recyclable metal dealer shall maintain a copy of a Junk Vehicle Notification relating to any Certificate of Title, Salvage Certificate, Certificate of Purchase or similarly acceptable

out-of-state document surrendered to the Secretary of State pursuant to the provisions of Section 3-117.2 of this Code.

(5) For scrap metals valued at \$100 or more, the scrap processor or recyclable metal dealer shall verify and record the identity of the person from whom the scrap metals were acquired by recording the identification of that person from one source of identification, which shall be a driver's license or State Identification Card, on the scrap processor or recyclable metal dealer's weight ticket at the time of the acquisition. The inspection of records pertaining only to scrap metals shall not be counted as an inspection of a premises for purposes of subparagraph (7) of Section 5-403 of this Code.

This subdivision (a) (5) does not apply to electrical contractors, to agencies or instrumentalities of the State of Illinois or of the United States, to common carriers, to purchases from persons, firms, or corporations regularly engaged in the business of manufacturing recyclable metal, in the business of selling recyclable metal at retail or wholesale, or in the business of razing, demolishing, destroying, or removing buildings, to the purchase by one recyclable metal dealer from another, or the purchase from persons, firms, or corporations engaged in either the generation, transmission, or distribution of electric energy or in telephone, telegraph, and other

communications if such common carriers, persons, firms, or corporations at the time of the purchase provide the recyclable metal dealer with a bill of sale or other written evidence of title to the recyclable metal. This subdivision (a)(5) also does not apply to contractual arrangements between dealers.

(b) Any licensee or recyclable metal dealer who knowingly fails to record any of the specific information required to be recorded on the weight ticket or who knowingly fails to acquire and maintain for 3 years documentary proof of ownership in one of the prescribed forms shall be guilty of a Class A misdemeanor and subject to a fine not to exceed \$1,000. Each violation shall constitute a separate and distinct offense and a separate count may be brought in the same complaint for each violation. Any licensee or recyclable metal dealer who commits a second violation of this Section within two years of a previous conviction of a violation of this Section shall be guilty of a Class 4 felony.

(c) It shall be an affirmative defense to an offense brought under paragraph (b) of this Section that the licensee or recyclable metal dealer or person required to be licensed both reasonably and in good faith relied on information appearing on a Certificate of Title, a Salvage Certificate, a Junking Certificate, a Secretary of State Manifest, a Secretary of State's Uniform Invoice, a Certificate of Purchase, or other documentary proof of ownership prepared under Section 3-117.1

(a) of this Code, relating to the transaction for which the required record was not kept which was supplied to the licensee or recyclable metal dealer by another licensee or recyclable metal dealer or an out-of-state dealer.

(d) No later than 15 days prior to going out of business, selling the business, or transferring the ownership of the business, the scrap processor or recyclable metal dealer shall notify the Secretary of that fact. Failure to so notify the Secretary of State shall constitute a failure to keep records under this Section.

(e) Evidence derived directly or indirectly from the keeping of records required to be kept under this Section shall not be admissible in a prosecution of the licensee or recyclable metal dealer for an alleged violation of Section 4-102 (a) (3) of this Code.

(Source: P.A. 90-89, eff. 1-1-98.)

(625 ILCS 5/5-401.4 new)

Sec. 5-401.4. Purchase of beer kegs by scrap processors and recyclable metal dealers.

(a) A scrap processor or recyclable metal dealer may not purchase metal beer kegs from any person other than the beer manufacturer whose identity is printed, stamped, attached, or otherwise displayed on the beer keg, or the manufacturer's authorized representative.

(b) The purchaser shall obtain a proof of ownership record

from a person selling the beer keg, including any person selling a beer keg with an indicia of ownership that is obliterated, unreadable, or missing, and shall also verify the seller's identity by a driver's license or other government-issued photo identification. The proof of ownership record shall include all of the following information:

(1) The name, address, telephone number, and signature of the seller or the seller's authorized representative.

(2) The name and address of the buyer, or consignee if not sold.

(3) A description of the beer keg, including its capacity and any indicia of ownership or other distinguishing marks appearing on the exterior surface.

(4) The date of transaction.

(c) The information required to be collected by this Section shall be kept for one year from the date of purchase or delivery, whichever is later.

(625 ILCS 5/5-403) (from Ch. 95 1/2, par. 5-403)

Sec. 5-403. (1) Authorized representatives of the Secretary of State including officers of the Secretary of State's Department of Police, other peace officers, and such other individuals as the Secretary may designate from time to time shall make inspections of individuals and facilities licensed or required to be licensed under Chapter 5 of the Illinois Vehicle Code for the purpose of reviewing records

required to be maintained under Chapter 5 for accuracy and completeness and reviewing and examining the premises of the licensee's established or additional place of business for the purpose of determining the accuracy of the required records. Premises that may be inspected in order to determine the accuracy of the books and records required to be kept includes all premises used by the licensee to store vehicles and parts that are reflected by the required books and records.

(2) Persons having knowledge of or conducting inspections pursuant to this Chapter shall not in advance of such inspections knowingly notify a licensee or representative of a licensee of the contemplated inspection unless the Secretary or an individual designated by him for this purpose authorizes such notification. Any individual who, without authorization, knowingly violates this subparagraph shall be guilty of a Class A misdemeanor.

(3) The licensee or a representative of the licensee shall be entitled to be present during an inspection conducted pursuant to Chapter 5, however, the presence of the licensee or an authorized representative of the licensee is not a condition precedent to such an inspection.

(4) Inspection conducted pursuant to Chapter 5 may be initiated at any time that business is being conducted or work is being performed, whether or not open to the public or when the licensee or a representative of the licensee, other than a mere custodian or watchman, is present. The fact that a

licensee or representative of the licensee leaves the licensed premises after an inspection has been initiated shall not require the termination of the inspection.

(5) Any inspection conducted pursuant to Chapter 5 shall not continue for more than 24 hours after initiation.

(6) In the event information comes to the attention of the individuals conducting an inspection that may give rise to the necessity of obtaining a search warrant, and in the event steps are initiated for the procurement of a search warrant, the individuals conducting such inspection may take all necessary steps to secure the premises under inspection until the warrant application is acted upon by a judicial officer.

(7) No more than 6 inspections of a premises may be conducted pursuant to Chapter 5 within any 6 month period except pursuant to a search warrant. Notwithstanding this limitation, nothing in this subparagraph (7) shall be construed to limit the authority of law enforcement agents to respond to public complaints of violations of the Code. For the purpose of this subparagraph (7), a public complaint is one in which the complainant identifies himself or herself and sets forth, in writing, the specific basis for their complaint against the licensee. For the purpose of this subparagraph (7), the inspection of records pertaining only to scrap metals, as provided in subdivision (a) (5) of Section 5-401.3 of this Code, shall not be counted as an inspection of a premises.

(8) Nothing in this Section shall be construed to limit the

authority of individuals by the Secretary pursuant to this Section to conduct searches of licensees pursuant to a duly issued and authorized search warrant.

(9) Any licensee who, having been informed by a person authorized to make inspections and examine records under this Section that he desires to inspect records and the licensee's premises as authorized by this Section, refuses either to produce for that person records required to be kept by this Chapter or to permit such authorized person to make an inspection of the premises in accordance with this Section shall subject the license to immediate suspension by the Secretary of State.

(10) Beginning July 1, 1988, any person licensed under 5-302 shall produce for inspection upon demand those records pertaining to the acquisition of salvage vehicles in this State. This inspection may be conducted at the principal offices of the Secretary of State.

(Source: P.A. 86-444.)