

**RULES
OF
TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
REGULATORY BOARD DIVISION**

**CHAPTER 0780-05-14
SCRAP METAL DEALER REGISTRATION PROGRAM**

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0780-05-14-.01 PURPOSE.

The purpose of this chapter is to provide for administration and implementation of the scrap metal dealer registration program, *Tenn. Code Ann.*, Title 62, Chapter 9 (as amended by Public Acts of 2008, Chapter 690), herein referred to as the “Act”.

Authority: *T.C.A. § 62-9-102. Administrative History: Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009.*

0780-05-14-.02 DEFINITIONS.

- (1) As used in this chapter, unless the context otherwise requires, the definitions of terms referenced in T.C.A. § 62-9-101 to 102 are applicable to these rules, including, without limitation, the term “member” as referenced in T.C.A. § 62-9-102(b).
- (2) “Legally cognizable organization or entity” means, according to the context, any corporation, limited liability company, partnership, limited partnership, joint venture, or other business entity recognized under Tennessee law.
- (3) “Person” means, according to the context, any individual, association, partnership, corporation, or any other legally cognizable organization or entity.

Authority: *T.C.A. §§ 1-3-105, 62-9-101, and 62-9-102. Administrative History: Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009. Amendments filed June 7, 2018; effective September 5, 2018.*

0780-05-14-.03 REGISTRATION.

- (1) Any person who buys, exchanges, or deals in scrap metal must register with the Department of Commerce and Insurance as a scrap metal dealer.
- (2) Employees of a registered scrap metal dealer need not procure a separate scrap metal dealer license, unless the employee is buying, exchanging or dealing in scrap metal outside the scope of such employment.

(Rule 0780-05-14-.03, continued)

- (3) All registrations issued under this part shall expire two (2) years from the date of issuance or renewal thereof.
- (4) Registration may be withdrawn by mailing the certificate of registration, along with any accompanying form required by the Department, back to the Department.
- (5) A change in address for a registrant or any business location shall be reported to the Department within thirty (30) days.

Authority: T.C.A. § 62-9-102. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009. Amendments filed June 7, 2018; effective September 5, 2018.

0780-05-14-.04 APPLICATIONS.

- (1) All applications for registration as a scrap metal dealer shall be made on a form provided by the Department of Commerce and Insurance and accompanied by a non-refundable application fee.
- (2) All applications must include the name of the applicant, the social security number or taxpayer identification number of the applicant, the physical and mailing address of the scrap metal dealer and the telephone number of the scrap metal dealer. All applications must be signed by the individual applicant or by an authorized representative of an applicant that is a legally cognizable organization or entity.
- (3) All scrap metal dealer applications must include the physical address of each business location in Tennessee that is used to purchase, exchange or deal in scrap metal or otherwise engage in the scrap metal business.
- (4) An applicant shall disclose, under penalty of perjury, any criminal conviction of a violation of this Act and any conviction of the criminal offense of theft, burglary or vandalism where the offense involves scrap metal and the date of any such conviction. Any such conviction of a member of an applicant that is a legally cognizable organization or entity constitutes a conviction of the applicant and must be disclosed and shall be grounds to deny the application for registration pursuant to T.C.A. § 62-9-110(b) and prohibit registration of the applicant pursuant to T.C.A. § 62-9-102(c).
- (5) Failure to disclose a criminal conviction on the application for registration shall be a basis for the denial of the application.
- (6) Failure to submit a complete application for registration shall be a basis for the denial of the application.

Authority: T.C.A §§ 62-9-102 and 62-9-110. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009. Amendments filed June 7, 2018; effective September 5, 2018.

0780-05-14-.05 RENEWALS.

- (1) Prior to the expiration of their registration, a registrant shall submit an application for renewal of registration on the prescribed form and accompanied by a non-refundable renewal fee.

(Rule 0780-05-14-.05, continued)

- (2) All applications for renewal must include the name of the applicant, the social security number or taxpayer identification number of the applicant, the physical and mailing address of the scrap metal dealer and the telephone number of the scrap metal dealer. All applications for renewal must be signed by the individual applicant or by an authorized representative of an applicant that is a legally cognizable organization or entity.
- (3) All scrap metal dealer applications for renewal must include the physical address of each business location in Tennessee that is used to purchase, exchange or deal in scrap metal or otherwise engage in the scrap metal business.
- (4) The application for renewal shall disclose, under penalty of perjury, any criminal conviction of a violation of this Act and any conviction of the criminal offense of theft, burglary or vandalism where the offense involves scrap metal and the date of any such conviction. Any such conviction of a member of an applicant that is a legally cognizable organization or entity constitutes a conviction of the applicant and must be disclosed and shall result in automatic revocation, pursuant to T.C.A. § 62-9-110(a), if applicable, and shall be grounds for disciplinary action against the registrant pursuant to T.C.A. § 62-9-110(b).
- (5) Failure to disclose a criminal conviction on the application for renewal shall be a basis for the denial of the renewal.
- (6) Failure to submit a complete application for renewal shall be a basis for the denial of the renewal.
- (7) Registrations cannot be renewed after they expire. If a registration is not renewed prior to expiration, a new application will be required to be submitted.

Authority: T.C.A §§ 62-9-102 and 62-9-110. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009. Amendments filed June 7, 2018; effective September 5, 2018.

0780-05-14-.06 FEES.

- (1) All applications for registration under the Act shall be accompanied by a non-refundable fee of two hundred dollars (\$200.00).
- (2) All applications for renewal of registration under the Act shall be accompanied by a non-refundable fee of one hundred seventy-five dollars (\$175.00).

Authority: T.C.A § 62-9-102. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009. Amendments filed February 22, 2021; effective May 23, 2021.

0780-05-14-.07 CHECK ISSUANCE FEE.

A scrap metal dealer may charge the person selling scrap metal a check issuance fee of ten percent (10%) of the dollar value of the scrap for the dealer's administrative costs of processing and issuing any check required by the Act. However, the fee, if charged, shall be a minimum of two dollars (\$2.00) and shall not exceed five dollars (\$5.00) per check.

Authority: T.C.A. § 62-9-104. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective

(Rule 0780-05-14-.07, continued)

February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009.

0780-05-14-.08 VOUCHERS.

- (1) A voucher issued as payment for scrap metal as required by the Act shall expire six (6) months from the date of the transaction.
- (2) Any unredeemed voucher funds shall be remitted to the Department of Commerce and Insurance, with a form provided by the Department, within one (1) year of the expiration of the voucher.

Authority: T.C.A. § 62-9-104. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009.

0780-05-14-.09 REVOCATION.

- (1) The registration of a person convicted of a violation of any provision of the Act, or the criminal offense of theft, burglary or vandalism if such offense involved scrap metal, shall be immediately revoked by operation of law upon such conviction.
- (2) The law enforcement agency responsible for the conviction shall transmit to the Commissioner of Commerce and Insurance a copy of the judgment of conviction of a person registered as a scrap metal dealer.

Authority: T.C.A. § 62-9-110. **Administrative History:** Public necessity rule filed August 29, 2008; effective through February 10, 2009. Public necessity rule filed August 29, 2008; expired effective February 11, 2009; rule reverted to its previous status. Public necessity rule filed February 18, 2009; effective through August 2, 2009. New rule filed February 10, 2009; effective April 26, 2009.

0780-05-14-.10 UNIFORM MARKETING.

In order to be considered marked under Tenn. Code Ann. § 62-9-102(a)(9), the scrap metal must be clearly and visibly embossed, engraved, etched, painted or otherwise marked with the name of the governmental entity, business, company, or the name of the owner of such metal.

Authority: T.C.A. §§ 62-9-102 and 62-9-106. **Administrative History:** New rule filed February 10, 2009; effective April 26, 2009.

0780-05-14-.11 UNIFORM TERMINOLOGY.

The following terms are the uniform terminology describing the types of metals and objects most commonly sold as scrap to be used in the transaction records:

- (1) Regulated Scrap Metal
 - (a) #1 Copper
 - (b) #2 Copper
 - (c) #1 Insulated Copper
 - (d) #2 Insulated Copper

(Rule 0780-05-14-.11, continued)

- (e) Bare Bright Copper
 - (f) Catalytic Converter
 - (g) Aluminum and/or Copper Radiator
 - (h) Motor Vehicle
 - (i) Metal Beer Keg
- (2) Ferrous Scrap. This includes, but is not limited to, the following types of scrap: appliances, cast iron, sheet metal, steel and wrought iron.
- (3) Non-Ferrous Scrap. This includes, but is not limited to, the following types of scrap: aluminum (all grades), aluminum cans, brass, lead, stainless steel and tin.

Authority: T.C.A. §§ 62-9-102, 62-9-104, and 62-9-113(b). **Administrative History:** New rule filed February 10, 2009; effective April 26, 2009. Amendments filed June 7, 2018; effective September 5, 2018.

0780-05-14-.12 SEVERABILITY RULE.

If any Rule or portion of a Rule of this Chapter or its applicability to any person or circumstance is held invalid by a court, the remainder of the Chapter or the applicability of the provision to other persons or circumstances shall not be affected. To this end, the provisions of this Chapter are declared severable.

Authority: T.C.A. § 62-9-102. **Administrative History:** Original rule filed June 7, 2018; effective September 5, 2018.