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Email: [publications.information@tn.gov](mailto:publications.information@tn.gov)**For Department of State Use Only**Sequence Number: 06-15-18Rule ID(s): 06970File Date: 6/7/18Effective Date: 9/5/18

## Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to Tenn. Code Ann. §§ 4-5-202, 4-5-207, and 4-5-229 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within ninety (90) days of the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by ten (10) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of ten (10) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

**Agency/Board/Commission:** Tennessee Department of Commerce & Insurance, Scrap Metal Registration Program

**Division:** Regulatory Boards

**Contact Person:** Sarah M. Mathews

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**Revision Type (check all that apply):**

☒ Amendment

☒ New

☐ Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0780-05-14	Scrap Metal Dealer Registration Program
Rule Number	Rule Title
0780-05-14-.02	Definitions
0780-05-14-.03	Registration
0780-05-14-.04	Applications
0780-05-14-.05	Renewals
0780-05-14-.11	Uniform Terminology

Chapter Number	Chapter Title
0780-05-14	Scrap Metal Dealer Registration Program
Rule Number	Rule Title
0780-05-14-.12	Severability Rule

Chapter 0780-05-14  
Scrap Metal Dealer Registration Program  
Amendments

Rule 0780-05-14-.02 Definitions is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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 §§ 62-9-101 and 62-9-102.

Rule 0780-05-14-.03 Registration is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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.
- (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.

Rule 0780-05-14-.04 Applications is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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.

Rule 0780-05-14-.05 Renewals is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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.
- (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.

Rule 0780-05-14-.11 Uniform Terminology is amended by deleting the rule in its entirety and substituting instead, the following language so that, as amended, the paragraph shall read:

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
  - (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).



Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
Rules 0780-05-14-.02, .03, .04, .05, .11 and .12

Chapter 0780-05-14  
Scrap Metal Dealer Registration Program  
New Rules

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0780-05-14-.02 Definitions	0780-05-14-.08 Vouchers
0780-05-14-.03 Registration	0780-05-14-.09 Revocation
0780-05-14-.04 Applications	0780-05-14-.10 Uniform Marking
0780-05-14-.05 Renewals	0780-05-14-.11 Uniform Terminology
0780-05-14-.06 Fees	0780-05-14-.12 Severability Rule

New Rule 0780-05-14-.12 Severability Rule is added and shall read:

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.

Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
Rules 0780-05-14-.02, .03, .04, .05, .11 and .12

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Tennessee Scrap Metal Registration Program on 02/22/2018, and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.



Date: 5/1/18

Signature: Julie Mix McPeak

Name of Officer: Julie Mix McPeak

Title of Officer: Commissioner, Department of Commerce & Insurance

Subscribed and sworn to before me on: 5/1/18

Notary Public Signature: Denise M. Lewis

My commission expires on: 1/15/20

Agency/Board/Commission: Tennessee Scrap Metal Registration Program

Rule Chapter Number(s):  
0780-05-14-.02 Definitions  
0780-05-14-.03 Registration  
0780-05-14-.04 Applications  
0780-05-14-.05 Renewals  
0780-05-14-.11 Uniform Terminology  
0780-05-14-.12 Severability Rule

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slatery III  
Herbert H. Slatery III  
Attorney General and Reporter  
5/29/2018  
Date

Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
Rules 0780-05-14-.02, .03, .04, .05, .11 and .12

**Department of State Use Only**

Filed with the Department of State on:

6/7/18

Effective on:

9/5/18

*Tre Hargett*

Tre Hargett  
Secretary of State

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2018 JUN -7 PM 1:22  
SECRETARY OF STATE  
FILIP PATRICK

### Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

1. The type or types of small business and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, or directly benefit from the proposed rule;

The proposed rule may affect small scrap metal businesses, but in a beneficial way, by eliminating the requirement that a scrap metal registrant procure a license for each of its employees. This should reduce cost and therefore directly benefit those businesses.

In the fiscal note for 2017 Public Chapter 414, it was projected that 278 out of 960 current scrap metal dealers would not have to renew as they are agents of another registered scrap dealer. In addition, it is also assumed that all 218 locations that are currently registered would no longer be required to register.

2. The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record;

This rule would require minimal, if any, costs for compliance.

3. A statement of the probable effect on impacted small businesses and consumers;

The proposed rule may affect small businesses, but in a positive way. The rule will no longer require scrap metal dealers to register each employee separately; therefore it will reduce registration costs.

4. A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the proposed rule that may exist, and to what extent the alternative means might be less burdensome to small business;

The Program knows of no other alternative method to achieve the goals exhibited by this rule.

5. A comparison of the proposed rule with any federal or state counterparts;

The Program knows of no other rules, federal or state, that compare.

6. Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule;

An exemption for small businesses would not be beneficial.

### **Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://publications.tnsosfiles.com/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The Tennessee Scrap Metal Registration Program foresees no impact on any local governments.

**Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

These rules amend the current rules in the following ways:

- (1) Removes the requirement that each employee of a registered scrap metal dealer must procure a separate registration.
- (2) Requires scrap metal dealers to provide a list of addresses of all scrap metal businesses located in Tennessee to the Program.
- (3) Requires that each legally cognizable organization or entity that is a registrant or applicant disclose to the Program if a member, as defined in Title 48 of the Tennessee Code, of that organization/entity has ever been convicted of a violation of the Tennessee Scrap Metal Registration Program, T.C.A. Title 62, Chapter 9, or convicted of the criminal offense of theft, burglary or vandalism where the offense involves scrap metal.
- (4) States that the conviction of a member, as defined in Title 48 of the Tennessee Code, of an organization/entity that is a registrant or applicant in the Program constitutes a conviction of the organization/entity.
- (5) Updates the uniform terminology to be more consistent with industry standards.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

These rules were drafted in response to 2017 Public Chapter 414.

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

This rule would affect scrap metal businesses in general, but we believe they would urge the adoption of this rule because the proposed rules are beneficial to the industry.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule or the necessity to promulgate the rule;

There are no known opinions of the Attorney General and Reporter or any judicial ruling that directly relates to this rule.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

This rule is not expected to create a probable increase or decrease state and local government revenues and expenditures.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Sarah Mathews, Assistant General Counsel  
Roxana Gumucio, Executive Director

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Sarah Mathews, Assistant General Counsel  
Roxana Gumucio, Executive Director

- (H)** Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Sarah Mathews  
500 James Robertson Parkway  
Nashville, TN 37243  
615-741-3072  
Sarah.Mathews@tn.gov

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Roxana.Gumucio@tn.gov

- (I)** Any additional information relevant to the rule proposed for continuation that the committee requests.

There is no known additional relevant information.



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Sequence Number: \_\_\_\_\_

Rule ID(s): \_\_\_\_\_

File Date: \_\_\_\_\_

Effective Date: \_\_\_\_\_

## Proposed Rule(s) Filing Form - **REDLINE**

*Proposed rules are submitted pursuant to Tenn. Code Ann. §§ 4-5-202, 4-5-207, and 4-5-229 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within ninety (90) days of the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by ten (10) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of ten (10) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.*

*Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).*

**Agency/Board/Commission:** Tennessee Department of Commerce & Insurance, Scrap Metal Registration Program

**Division:** Regulatory Boards

**Contact Person:** Sarah M. Mathews

**Address:** 500 James Robertson Parkway, Nashville, Tennessee

**Zip:** 37243

**Phone:** (615) 532-6303

**Email:** Sarah.Mathews@tn.gov

**Revision Type (check all that apply):**

☒ Amendment

☒ New

☐ Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0780-05-14	Scrap Metal Dealer Registration Program
Rule Number	Rule Title
0780-05-14-.02	Definitions
0780-05-14-.03	Registration
0780-05-14-.04	Applications
0780-05-14-.05	Renewals
0780-05-14-.11	Uniform Terminology

Chapter Number	Chapter Title
0780-05-14	Scrap Metal Dealer Registration Program
Rule Number	Rule Title
0780-05-14-.12	Severability Rule



**Redline – 2017 Proposed Rules  
Tennessee Scrap Metal Registration Program**

Chapter 0780-05-14  
Scrap Metal Dealer Registration Program  
Amendments

Rule 0780-05-14-.02 Definitions is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (1) As used in this chapter, unless the context otherwise requires, the definitions of terms ~~contained~~ **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.
- (~~23~~) "Person" means, according to the context, any individual, association, partnership, corporation, or any other legally cognizable organization or entity ~~or their employees and duly authorized agents who have the authority to buy, exchange or deal in scrap metal.~~

Authority: T.C.A §§ 62-9-101 and 62-9-102.

Rule 0780-05-14-.03 Registration is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (1) Any person who buys, exchanges, or deals in scrap metal ~~either as an employer or employee~~ 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.**
- (~~23~~) All registrations issued under this part shall expire two (2) years from the date of issuance or renewal thereof.
- (~~34~~) Registration may be withdrawn by mailing the certificate of registration, along with any accompanying form required by the ~~d~~Department, back to the Department.
- (~~45~~) 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.

Rule 0780-05-14-.04 Applications is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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 **applicant and by the**

~~owner, partner or authorized corporate officer of the scrap metal dealer~~ 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.
- (34) 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).
- (45) Failure to disclose a criminal conviction on the application for registration shall be a basis for the denial of the application.
- (56) 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.

Rule 0780-05-14-.05 Renewals is amended by deleting the text of the Rule in its entirety and substituting instead the following:

- (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.
- (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 applicant and by the ~~owner, partner or authorized corporate officer of the scrap metal dealer~~ 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.
- (34) 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).
- (45) Failure to disclose a criminal conviction on the application for renewal shall be a basis for the denial of the renewal.
- (56) Failure to submit a complete application for renewal shall be a basis for the denial of the renewal.
- (67) 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.



Rule 0780-05-14-.11 Uniform Terminology is amended by deleting the rule in its entirety and substituting instead, the following language so that, as amended, the paragraph shall read:

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

<del>Acetylene Cutting Torch</del>	<del>Insulated Aluminum Wire</del>
<del>Air Conditioner</del>	<del>Insulated Copper Wire</del>
<del>Air Conditioner Coil</del>	<del>Insulated Steel Wire</del>
<del>Air Conditioner Condenser</del>	<del>Kitchen Exhaust Hood</del>
<del>Aluminum Ladder</del>	<del>Lawn Mower</del>
<del>Aluminum Panels</del>	<del>Microwave Oven</del>
<del>Angle Iron</del>	<del>Miscellaneous Aluminum Scrap</del>
<del>Backflow Preventer</del>	<del>Miscellaneous Copper Scrap</del>
<del>Bare Aluminum Wire</del>	<del>Miscellaneous Iron Scrap</del>
<del>Bare Copper Wire</del>	<del>Miscellaneous Steel Scrap</del>
<del>Bare Steel Wire</del>	<del>Motor Vehicle</del>
<del>Batteries</del>	<del>Motor Vehicle parts</del>
<del>Bolt Cutters</del>	<del>Motor Vehicle — Crushed</del>
<del>Cable — Aluminum</del>	<del>Muffler/Muffler Pipe</del>
<del>Cable — Copper</del>	<del>Pipe — Iron</del>
<del>Cable — Steel</del>	<del>Pipe — Stainless Steel</del>
<del>Catalytic Converter</del>	<del>Precious Metal</del>
<del>Chains</del>	<del>Radiator</del>
<del>Compressed Gas Cylinder/Tank</del>	<del>Refrigerator/Freezer</del>
<del>Copper Tubing</del>	<del>Rolled Metal Coil</del>
<del>Dishwasher</del>	<del>Scaffolding</del>
<del>Dryer</del>	<del>Stove/Oven</del>
<del>Electrical Box</del>	<del>Toolbox — Truck</del>
<del>Farm/Garden Equipment/Implements</del>	<del>Toolbox — Jobsite</del>
<del>Fence</del>	<del>Washing Machine</del>
<del>Firearms</del>	<del>Welder</del>
<del>Fuel tank</del>	<del>Wrought Iron</del>
<del>Heater Core/Furnace</del>	

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
  - (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).

Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
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Chapter 0780-05-14  
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0780-05-14-.06 Fees	<b>0780-05-14-.12 Severability Rule</b>

New Rule 0780-05-14-.12 Severability Rule is added and shall read:

**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.

Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
Rules 0780-05-14-.02, .03, .04, .05, .11 and .12

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Tennessee Scrap Metal Registration Program on 02/22/2018, and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Officer: Julie Mix McPeak

Title of Officer: Commissioner, Department of Commerce & Insurance

Subscribed and sworn to before me on: \_\_\_\_\_

Notary Public Signature: \_\_\_\_\_

My commission expires on: \_\_\_\_\_

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Agency/Board/Commission: Tennessee Scrap Metal Registration Program

Rule Chapter Number(s):  
0780-05-14-.02 Definitions  
0780-05-14-.03 Registration  
0780-05-14-.04 Applications  
0780-05-14-.05 Renewals  
0780-05-14-.11 Uniform Terminology  
0780-05-14-.12 Severability Rule

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

\_\_\_\_\_  
Herbert H. Slatery III  
Attorney General and Reporter

\_\_\_\_\_  
Date

Rules of Tennessee Scrap Metal Registration Program  
Chapter 0780-05-14 Scrap Metal Dealer Registration Program  
Rules 0780-05-14-.02, .03, .04, .05, .11 and .12

**Department of State Use Only**

Filed with the Department of State on: \_\_\_\_\_

Effective on: \_\_\_\_\_

\_\_\_\_\_  
Tre Hargett  
Secretary of State

### Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

1. The type or types of small business and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, or directly benefit from the proposed rule:

The proposed rule may affect small scrap metal businesses, but in a beneficial way, by eliminating the requirement that a scrap metal registrant procure a license for each of its employees. This should reduce cost and therefore directly benefit those businesses.

In the fiscal note for 2017 Public Chapter 414, it was projected that 278 out of 960 current scrap metal dealers would not have to renew as they are agents of another registered scrap dealer. In addition, it is also assumed that all 218 locations that are currently registered would no longer be required to register.

2. The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record:

This rule would require minimal, if any, costs for compliance.

3. A statement of the probable effect on impacted small businesses and consumers:

The proposed rule may affect small businesses, but in a positive way. The rule will no longer require scrap metal dealers to register each employee separately; therefore it will reduce registration costs.

4. A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the proposed rule that may exist, and to what extent the alternative means might be less burdensome to small business:

The Program knows of no other alternative method to achieve the goals exhibited by this rule.

5. A comparison of the proposed rule with any federal or state counterparts:

The Program knows of no other rules, federal or state, that compare.

6. Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule:

An exemption for small businesses would not be beneficial.



### **Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://publications.tnsosfiles.com/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The Tennessee Scrap Metal Registration Program foresees no impact on any local governments.

### **Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

These rules amend the current rules in the following ways:

- (1) Removes the requirement that each employee of a registered scrap metal dealer must procure a separate registration.
- (2) Requires scrap metal dealers to provide a list of addresses of all scrap metal businesses located in Tennessee to the Program.
- (3) Requires that each legally cognizable organization or entity that is a registrant or applicant disclose to the Program if a member, as defined in Title 48 of the Tennessee Code, of that organization/entity has ever been convicted of a violation of the Tennessee Scrap Metal Registration Program, T.C.A. Title 62, Chapter 9, or convicted of the criminal offense of theft, burglary or vandalism where the offense involves scrap metal.
- (4) States that the conviction of a member, as defined in Title 48 of the Tennessee Code, of an organization/entity that is a registrant or applicant in the Program constitutes a conviction of the organization/entity.
- (5) Updates the uniform terminology to be more consistent with industry standards.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

These rules were drafted in response to 2017 Public Chapter 414.

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

This rule would affect scrap metal businesses in general, but we believe they would urge the adoption of this rule because the proposed rules are beneficial to the industry.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule or the necessity to promulgate the rule;

There are no known opinions of the Attorney General and Reporter or any judicial ruling that directly relates to this rule.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

This rule is not expected to create a probable increase or decrease state and local government revenues and expenditures.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Sarah Mathews, Assistant General Counsel  
Roxana Gumucio, Executive Director

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Sarah Mathews, Assistant General Counsel  
Roxana Gumucio, Executive Director

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

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- (I) Any additional information relevant to the rule proposed for continuation that the committee requests.

There is no known additional relevant information.