Article 45.

Pawnbrokers, Metal Dealers, and Scrap Dealers.

Part 1. Pawnbrokers and Currency Converters.

§ 66-385. Short title.

This Part shall be known and may be cited as the Pawnbrokers and Currency Converters Modernization Act. (1989, c. 638, s. 2; 2011-325, s. 2; 2012-46, ss. 2, 4; 2025-25, s. 34(a).)

§ 66-386. Purpose.

The making of pawn loans and the acquisition and disposition of tangible personal property by and through pawnshops and currency converters vitally affects the general economy of this State and the public interest and welfare of its citizens. In recognition of these facts, it is the policy of this State and the purpose of this Part to do all of the following:

(1) Ensure a sound system of making loans and acquiring and disposing of tangible personal property by and through pawnshops and prevent unlawful property transactions, particularly in stolen property, through licensing and regulating pawnbrokers.
(2) Ensure a sound system of acquiring and disposing of tangible personal property by and through currency converters and prevent unlawful property transactions, particularly in stolen property, by requiring record keeping by currency converters.
(3) Provide for pawnbroker licensing fees and investigation fees of licensees.
(4) Ensure financial responsibility to the State and the general public.
(5) Ensure compliance with federal and State laws.
(6) Assist local governments in the exercise of their police authority. (1989, c. 638, s. 2; 2011-325, s. 3; 2012-46, ss. 2, 5; 2025-25, s. 34(a).)

§ 66-387. Definitions.

The following definitions apply in this Part:

(1) Cash. – Lawful currency of the United States.
(2) Currency converter. – Either (i) a person engaged in the business of purchasing goods from the public for cash at a permanently located retail store or (ii) an itinerant merchant as defined in G.S. 66-250(1) who holds himself or herself out to the public by signs, advertising, or other methods as engaging in that business. The term does not include any of the following:
    a. Pawnbrokers, except with regard to the purchase of a gift card or merchandise card.
    b. Persons whose goods purchases are made directly from manufacturers or wholesalers for their inventories.
    c. Precious metals dealers, to the extent that their transactions are regulated under Part 2 of this Article.
    d. Purchases by persons primarily in the business of obtaining from the public, either by purchase or exchange, used clothing, children's furniture, and children's products, provided (i) the amount paid for the individual item purchased is less than fifty dollars ($50.00) and (ii) the individual item purchased is not a gift card or merchandise card of any value.

e. Purchases by persons primarily in the business of obtaining from the public, either by purchase or exchange, sporting goods and sporting equipment, provided (i) the amount paid for the individual item purchased is less than fifty dollars ($50.00) and (ii) the individual item purchased is not a gift card or merchandise card of any value.

(2a) E-buyer. – A currency converter engaged in the business of purchasing gift cards or merchandise cards online.

(3) Pawn or pawn transaction. – A written bailment of personal property as security for a debt, redeemable on certain terms within 180 days, unless renewed, and with an implied power of sale on default.

(4) Pawnbroker. – A person engaged in the business of lending money on the security of pledged goods and who may also purchase merchandise for resale from dealers and traders.

(5) Pawnshop. – The location at which, or premises in which, a pawnbroker regularly conducts business.

(6) Person. – Any individual, corporation, joint venture, association, or any other legal entity, however organized.

(7) Pledged goods. – Tangible personal property which is deposited with, or otherwise actually delivered into, the possession of a pawnbroker in the course of his business in connection with a pawn transaction.

(8) Purchase. – An item purchased from an individual for the purpose of resale whereby the seller no longer has a vested interest in the item. (1989, c. 638, s. 2; 2011-325, s. 4; 2012-46, ss. 2, 6; 2013-410, s. 26; 2017-162, s. 3.)

§ 66-388. Pawnbroker authority.

A pawnbroker licensee is authorized to: (i) make loans on pledges of tangible personal property, (ii) deal in bullion stocks, (iii) purchase merchandise for resale from dealers, traders, and wholesale suppliers and (iv) use its capital and funds in any lawful manner within the general scope and purpose of its creation. Notwithstanding the provisions of this section, no pawnbroker has the authority enumerated in this section unless he has fully complied with the laws regulating the particular transactions involved. (1989, c. 638, s. 2; 2012-46, s. 2.)

§ 66-389. License required.

It is unlawful for any person, firm, or corporation to establish or conduct a business of pawnbroker unless such person, firm, or corporation has procured a license to conduct business in compliance with the requirements of this Part. (1989, c. 638, s. 2; 2012-46, ss. 2, 7.)

§ 66-390. Requirements for licensure.

(a) To be eligible for a pawnbroker's license, an applicant must:

(1) Be of good moral character; and

(2) Not have been convicted of a felony within the last 10 years.

(b) Every person, firm or corporation desiring to engage in the business of pawnbroker shall petition the appropriate city or county agency in the area in which the pawnshop is to be operated for a license to conduct such business. Such petitions shall provide:

(1) The name and address of the person, and, in case of a firm or corporation, the names and addresses of the persons composing such firm or of the officers,

directors, and stockholders of such corporation, excluding shareholders of publicly traded companies;

(2) The name of the business and the street and mailing address where the business is to be operated;

(3) A statement indicating the amount of net assets or capital proposed to be used by the petitioner in operation of the business; this statement shall be accompanied by an unaudited statement from an accountant or certified public accountant verifying the information contained in the accompanying statement;

(4) An affidavit by the petitioner that he has not been convicted of a felony; and

(5) A certificate from the chief of police, or sheriff of the county, or the State Bureau of Investigation that the petitioner has not been convicted of a felony.

(c) Licenses shall be granted under this Part by the city if the pawnshop is to be operated within the corporate limits of a city as defined by G.S. 160A-1, and by a county if it is to be operated outside the corporate limits of any city as defined by G.S. 160A-1.

(d) Any license granted under this Part may be revoked by the county or city issuing it, after a hearing, for substantial abuses of this Part by the licensee. (1989, c. 638, s. 2; 2012-46, ss. 2, 8.)

§ 66-391. Record-keeping requirements for pawnbrokers.

(a) Every pawnbroker shall keep consecutively numbered records of each and every pawn transaction, which shall correspond in all essential particulars to a detachable pawn ticket or copy thereof attached to the record.

(b) The pawnbroker shall, at the time of making the pawn or purchase transaction, enter upon the pawn ticket a record of the following information which shall be typed or written in ink and in the English language:

(1) A clear and accurate description of the property, including model and serial number if indicated on the property;

(2) The name, residence address, phone number, and date of birth of pledgor;

(3) Date of the pawn transaction;

(4) Type of identification and the identification number accepted from pledgor;

(5) Description of the pledgor including approximate height, weight, sex, and race;

(6) Amount of money advanced;

(7) The date due and the amount due;

(8) All monthly pawn charges, including interest, annual percentage rate on interest, and total recovery fee; and

(9) Agreed upon "stated value" between pledgor and pawnbroker in case of loss or destruction of pledged item; unless otherwise noted, "stated value" is the same as the loan value.

(c) The following shall be printed on all pawn tickets:

(1) The statement that "ANY PERSONAL PROPERTY PLEDGED TO A PAWNBROKER WITHIN THIS STATE IS SUBJECT TO SALE OR DISPOSAL WHEN THERE HAS BEEN NO PAYMENT MADE ON THE ACCOUNT FOR A PERIOD OF 60 DAYS PAST MATURITY DATE OF THE ORIGINAL CONTRACT. NO FURTHER NOTICE IS NECESSARY.";

(2) The statement that "THE PLEDGOR OF THIS ITEM ATTESTS THAT IT IS NOT STOLEN, HAS NO LIENS OR ENCUMBRANCES, AND IS THE PLEDGOR'S TO SELL OR PAWN.";
(3) The statement that "THE ITEM PAWNED IS REDEEMABLE ONLY BY THE BEARER OF THIS TICKET OR BY IDENTIFICATION OF THE PERSON MAKING THE PAWN."; and
(4) A blank line for the pledgor's signature and the pawnbroker's signature or initials.

(d) The pledgor shall sign the pawn ticket and shall receive an exact copy of the pawn ticket which shall be signed or initialed by the pawnbroker or any employee of the pawnbroker. These records shall be available for inspection and pickup each regular workday by the sheriff of the county, or the sheriff's designee or the chief of police, or the chief's designee of the municipality in which the pawnshop is located. These records may be electronically reported to the sheriff of the county or the chief of police of the municipality in which the pawnshop is located by transmission over the internet or by facsimile transmission in a manner authorized by the applicable sheriff or chief of police. These records shall be a correct copy of the entries made of the pawn or purchase transaction and shall be carefully preserved without alteration, and shall be available during regular business hours.

(e) Except as otherwise provided in this Part, any person presenting a pawn ticket to a pawnbroker is presumed to be entitled to redeem the pledged goods described on the ticket. (1989, c. 638, s. 2; 2007-415, s. 2; 2011-325, s. 5; 2012-46, ss. 2, 9; 2025-25, s. 29(3).)

§ 66-392. Record-keeping requirements for currency converters and e-buyers.

(a) Every currency converter shall keep consecutively numbered records of each cash purchase. The currency converter shall, at the time of making the purchase, enter upon each record all of the following information, which shall be typed or written in ink and in the English language:
(1) A clear and accurate description of the property purchased by the currency converter from the seller, including model and serial number if indicated on the property.
(2) The name, residence address, phone number, and date of birth of the seller.
(3) The date of the purchase.
(4) The type of identification and the identification number accepted from the seller.
(5) A description of the seller, including approximate height, weight, sex, and race.
(6) The purchase price.
(7) The statement that "THE SELLER OF THIS ITEM ATTESTS THAT IT IS NOT STOLEN, HAS NO LIENS OR ENCUMBRANCES, AND IS THE SELLER'S TO SELL."

(b) The seller shall sign the record and shall receive an exact copy of the record, which shall be signed or initialed by the currency converter or any employee of the currency converter. These records shall be available for inspection and pickup each regular workday by the sheriff of the county or the sheriff's designee or the chief of police or the chief's designee of the municipality in which the currency converter is located. These records may be electronically reported to the sheriff of the county or the chief of police of the municipality in which the currency converter is located by transmission over the internet or by facsimile transmission in a manner authorized by the applicable sheriff or chief of police. These records shall be a correct copy of the entries made of

the purchase transaction, shall be carefully preserved without alteration, and shall be available during regular business hours.

(c) This section does not apply to purchases directly from a manufacturer or wholesaler for a currency converter's inventory.

(d) Notwithstanding subsection (a) of this section, an e-buyer shall record all of the following information, which shall be typed or written in ink and in the English language:

(1) A clear and accurate description of the goods purchased by the currency converter from the seller, including the brand of the gift card or merchandise card and the last four digits of the card number.
(2) The name, address, and phone number or email address of the seller.
(3) The date of the purchase.
(4) If identification is captured by the e-buyer, the type of identification and the identification number provided to the e-buyer, including any photograph of the seller, if obtained.
(5) The IP address utilized by the seller if captured by the e-buyer.
(6) The purchase price and value of the gift card or merchandise card.
(7) A statement to the effect that "THE SELLER OF THIS ITEM ATTESTS THAT IT IS NOT STOLEN, HAS NO LIENS OR ENCUMBRANCES, AND IS THE SELLER'S TO SELL."

Unless subject to an active investigation by law enforcement, an e-buyer shall make the records described in this subsection available electronically via a secure connection upon a reasonable request to the law enforcement officials described in subsection (b) of this section, but no more frequently than on a monthly basis. If the request for information is related to an active investigation, an e-buyer shall make the record available to the investigating law enforcement agency electronically via a secure connection within one business day of the request. (2011-325, s. 6; 2012-46, s. 2; 2013-410, s. 26; 2017-162, s. 4; 2025-25, s. 29(1), (3).)

§ 66-393. Pawnbroker fees; interest rates.

No pawnbroker shall demand or receive an effective rate of interest greater than two percent (2%) per month, and no other charge of any description or for any purpose shall be made by the pawnbroker, except that the pawnbroker may charge, contract for, and recover an additional monthly fee for the following services, including but not limited to:

(1) Title investigation;
(2) Handling, appraisal, and storage;
(3) Insuring a security;
(4) Application fee;
(5) Making daily reports to local law enforcement officers; and
(6) For other expenses, including losses of every nature, and all other services.

In no event may the total of the above listed monthly fees on a pawn transaction exceed twenty percent (20%) of the principal up to a maximum of the following:

First month	$100.00
Second month	75.00
Third month	75.00
Fourth month and thereafter	50.00

In addition, pawnbrokers may charge fees for returned checks as allowed by G.S. 25-3-506. (1989, c. 638, s. 2; 1995 (Reg. Sess., 1996), c. 742, s. 37; 2012-46, s. 2.)

§ 66-394. Pawnbroker transactions.

In every pawn transaction:

(1) The original pawn contract shall have a maturity date of not less than 30 days, provided that nothing herein shall prevent the pledgor from redeeming the property before the maturity date;

(2) Any personal property pledged to a pawnbroker in this State is subject to sale or disposal when there has been no payment made on the account for a period of 60 days past maturity date of the original contract; provided that the contract between the pledgor and the pawnbroker is renewable if renewal is agreed upon by both the parties;

(3) Every pawn ticket or receipt for such pawn shall have printed thereon the provisions of subdivision (1) of this section which shall constitute: (i) notice of such sale or disposal, (ii) notice of intention to sell or dispose of the property without further notice, and (iii) consent to such sale or disposal. The pledgor thereby forfeits all right, title and interest of, in, and to such pawned property to the pawnbroker who thereby acquires absolute title to the same, whereupon the debt is satisfied and the pawnbroker may sell or dispose of the unredeemed pledges as his own property. Any sale or disposal of property under this section terminates all liability of the pawnbroker and vests in the purchaser the right, title, and interest of the borrower and the pawnbroker;

(4) If the borrower loses his pawn ticket he shall not thereby forfeit his right to redeem, but may, before the lapse of the redemption period, make an affidavit with indemnification for such loss. The affidavit shall describe the property pawned and shall take the place of the lost pawn ticket unless the pawned property has already been redeemed with the original pawn ticket; and

(5) A pledgor is not obligated to redeem pledged goods or make any payment on a pawn transaction. (1989, c. 638, s. 2; 2012-46, s. 2.)

§ 66-395. Prohibitions.

(a) A pawnbroker shall not:

(1) Accept a pledge from a person under the age of 18 years.

(2) Make any agreement requiring the personal liability of a pledgor in connection with a pawn transaction.

(3) Accept any waiver, in writing or otherwise, of any right or protection accorded a pledgor under this Part.

(4) Fail to exercise reasonable care to protect pledged goods from loss or damage.

(5) Fail to return pledged goods to a pledgor upon payment of the full amount due the pawnbroker on the pawn transaction. In the event such pledged goods are lost or damaged while in the possession of the pawnbroker, it shall be the responsibility of the pawnbroker to replace the lost or damaged goods with merchandise of like kind and equivalent value. In the event the pledgor and pawnbroker cannot agree as to replacement, the pawnbroker shall reimburse the pledgor in the amount of the value agreed upon pursuant to G.S. 66-391(b).

(6) Take any article in pawn, pledge, or as security from any person, which is known to such pawnbroker to be stolen, unless there is a written agreement with local or State law enforcement.
(7) Sell, exchange, barter, or remove from the pawnshop any goods pledged, pawned, or purchased before the earlier of seven days after the date the pawn ticket record is electronically reported in accordance with G.S. 66-391(d) or 30 days after the transaction, except in case of redemption by pledgor or items purchased for resale from wholesalers.
(8) Operate more than one pawnshop under one license, and such shop must be at a permanent place of business.
(9) Take as pledged goods any manufactured mobile home, recreational vehicle, or motor vehicle other than a motorcycle.

(b) A currency converter shall not purchase from any person property which is known to the currency converter to be stolen, unless there is a written agreement with local or State law enforcement. (1989, c. 638, s. 2; 2007-415, s. 1; 2011-325, s. 7; 2012-46, ss. 2, 10; 2013-410, s. 26.)

§ 66-396. Penalties.

(a) Every person, firm, or corporation, their guests or employees, who shall knowingly violate any of the provisions of this Part, shall, on conviction thereof, be deemed guilty of a Class 2 misdemeanor. If the violation is by an owner or major stockholder or managing partner of the pawnshop and the violation is knowingly committed by the owner, major stockholder, or managing partner of the pawnshop, then the license of the pawnshop may be suspended at the discretion of the court.

(b) The provision of subsection (a) of this section shall not apply to violations of G.S. 66-395(a)(6) or G.S. 66-395(b) which shall be prosecuted under the North Carolina criminal statutes.

(c) Any contract of pawn the making or collecting of which violates any provision of this Part, except as a result of accidental or bona fide error of computation, shall be void, and the licensee shall have no right to collect, receive or retain any interest or fee whatsoever with respect to such pawn. (1989, c. 638, s. 2; 1993, c. 539, s. 655; 1994, Ex. Sess., c. 24, s. 14(c); 2011-325, s. 8; 2012-46, ss. 2, 11.)

§ 66-397. Municipal or county authority.

All of the counties and cities as defined by G.S. 160A-1 may by ordinance adopt the provisions of this Part and may adopt such further rules and regulations as the governing bodies of the counties and cities deem appropriate; provided, however, no county or city may regulate:

(1) Interest, fees, or recovery charges;
(2) Hours of operation, unless such regulation applies to businesses generally;
(3) The nature of the business or type of pawn transaction; or
(4) License fees in excess of rates set by the State. (1989, c. 638, s. 2; 1993, c. 539, s. 655; 1994, Ex. Sess., c. 24, s. 14(c); 2011-325, s. 8; 2012-46, ss. 2, 12.)

§ 66-398. License renewal.

Notwithstanding any provision of this Part to the contrary, any person, firm, or corporation licensed as a pawnbroker on or before October 1, 1989, shall continue in force until the natural

expiration thereof and all other provisions of this Part shall apply to such license. Such pawnbroker shall be eligible for renewal of his license upon its expiration or subsequent renewals, provided such license complies with the requirements for renewal that were in effect immediately prior to October 1, 1989. (1989, c. 638, s. 2; 2012-46, ss. 2, 13.)

§ 66-399. Bond.

Every person, firm, or corporation licensed under this Part shall, at the time of receiving the license, file with the city or county issuing the license a bond payable to such city or county in the sum of five thousand dollars ($5,000), to be executed by the licensee, and by two responsible sureties or a surety company licensed to do such business in this State, to be approved by the city or county, which shall be for the faithful performance of the requirements and obligations pertaining to the business so licensed. The city or county may sue for forfeiture of the bond upon a breach thereof. Any person who obtains a judgment against a pawnbroker and upon which judgment execution is returned unsatisfied may maintain an action in his own name upon the bond, to satisfy the judgment. (1989, c. 638, s. 2; 2012-46, ss. 2, 14.)

§ 66-400: Reserved for future codification purposes.

§ 66-401: Reserved for future codification purposes.

§ 66-402: Reserved for future codification purposes.

§ 66-403: Reserved for future codification purposes.

§ 66-404: Reserved for future codification purposes.

Part 2. Precious Metal Business.

§ 66-405. Legislative finding.

The General Assembly finds and declares that precious metal businesses in North Carolina vitally affect the general economy of the State and the public interest and public welfare, and in the exercise of its police power, it is necessary to regulate such businesses, in order to prevent thefts, disposal of stolen property, and other abuses upon its citizens. (1981, c. 956, s. 1; 2012-46, s. 15.)

§ 66-406. Definitions.

The following definitions apply in this Part:

(1) Dealer. — A person who purchases precious metals from the public, other than by an exempted transaction, in the form of jewelry, flatware, silver services, or other forms and holds himself or herself out to the public by signs, advertising, or other methods as engaging in such purchases, including any independent contractor purchasing precious metals under any arrangement in any department store. An exempted transaction is one that is (i) not considered in determining whether a person is a dealer under this Part and (ii) not subject to the requirements of this Part, even if it is entered into by a person otherwise defined and regulated as a dealer. Exempted transactions are:

a. Purchases directly from manufacturers or wholesalers of precious metals by permanently located retail merchants for their inventories.

b. Pawns, pledges, or purchases of items made of precious metals, if the transaction is entered into by a licensed pawnbroker and the transaction is regulated under the provisions of Part 1 of this Article.

c. The acquisition of precious metals by a permanently located retail merchant through barter or exchange for other items sold in the ordinary course of the merchant's business, provided that the seller does not receive, as part of the transaction, any sum of money or any gift card or stored-value card, unless the card is redeemable only at that merchant's business.

(2) Local law enforcement agency. — The term means the following, as applicable:

a. The county police force, if the dealer's business is located within a county with a county police force and outside the corporate limits of a municipality.

b. The municipal police force, if the dealer's business is located within the corporate limits of a municipality having a police force.

c. The county sheriff's office of the county in which the dealer's business is located, if neither sub-subdivision a. nor b. of this subdivision applies.

(3) Precious metal. — Gold, silver, platinum, or palladium, as defined below, but excluding coins, medals, medallions, tokens, numismatic items, art ingots, or art bars.

a. Gold. — Any item or article containing 10 karats of gold or more which may be in combination or alloy with any other metal.

b. Silver. — Any item or article containing 925 parts per thousand of silver which may be in combination or alloy with any nonprecious metal or which is marked "sterling".

c. Platinum. — Any item or article containing 900 parts per thousand or more of platinum which may be in combination or alloy with any other metal.

d. Palladium. — Any item or article containing 950 parts per thousand or more of palladium which may be in combination or alloy with any other metal. (1981, c. 956, s. 1; c. 1001, s. 3; 1989 (Reg. Sess., 1990), c. 1024, s. 10(b); 2009-482, s. 1; 2012-46, ss. 15, 17.)

§ 66-407. Permits.

(a) Dealer Permit. – Except as provided in subsection (c) of this section, it is unlawful for any person to engage as a dealer in the business of purchasing precious metals either as a separate business or in connection with other business operations without first obtaining a permit for the business from the local law enforcement agency. The Department of Public Safety shall approve the forms for both the application and the permit. The application shall be given under oath and shall be notarized. A 30-day waiting period from the date of filing of the application is required prior to initial issuance of a permit. A separate permit shall be issued for each location, place, or premises within the jurisdiction of the local law enforcement agency which is used for conducting a precious metals business, and each permit shall designate the location, place or premises to which it applies. No business shall be conducted in a place other than that designated in the permit, or in a mobile home, trailer, camper, or other vehicle, or structure not permanently affixed to the ground or in any room customarily used for lodging in any hotel, motel, tourist court, or tourist home. The

permit shall be posted in a prominent place on the designated premises. Permits shall be valid for a period of 12 months from the date issued and may be renewed without a waiting period upon filing of an application and payment of the annual fee. The annual fee for a permit within each jurisdiction is one hundred eighty dollars ($180.00) to provide for the administrative costs of the local law enforcement agency, including the purchase of required forms and the cost of conducting the criminal history record check of the applicant. The fee is not refundable even if the permits are denied or later suspended or revoked. A permit issued under this section is in addition to and not in lieu of other business licenses and is not transferable. No person other than the dealer named on the permit and that dealer's employees may engage in the business of purchasing precious metals under the authority of the permit.

Any dealer applying to the local law enforcement agency for a permit shall furnish the local law enforcement agency with the following information:

(1) The applicant's full name, and any other names used by the applicant during the preceding five years. In the case of a partnership, association, or corporation, the applicant shall list any partnership, association, or corporate names used during the preceding five years.
(2) Current address, and all addresses used by the applicant during the preceding five years.
(3) Physical description.
(4) Age.
(5) Driver's license number, if any, and state of issuance.
(6) Recent photograph.
(7) Record of felony convictions.
(8) Record of other convictions during the preceding five years.
(9) A full set of fingerprints of the applicant.

If the applicant for a dealer's permit is a partnership or association, all persons owning a ten percent (10%) or more interest in the partnership or association shall comply with the provisions of this subsection. These permits shall be issued in the name of the partnership or association.

If the applicant for a dealer's permit is a corporation, each officer, director and stockholder owning ten percent (10%) or more of the corporation's stock, of any class, shall comply with the provisions of this subsection. These permits shall be issued in the name of the corporation.

No permit shall be issued to an applicant who has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state, unless the applicant has had his or her rights of citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the date of application. In the case of a partnership, association, or corporation, no permit shall be issued to any applicant with an officer, partner, or director who has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state, unless that person has had his or her rights of citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the date of application.

The State Bureau of Investigation may provide a criminal history record check to the local law enforcement agency for a person who has applied for a permit through the agency. The agency shall provide to the State Bureau of Investigation, along with the request, the fingerprints of the applicant, any additional information required by the State Bureau of Investigation, and a form signed by the applicant consenting to the check of the criminal record and to the use of the

fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be used by the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The agency shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The State Bureau of Investigation may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(b) Employee Requirements. – Every employee engaged in the precious metals purchasing business shall, within two business days of being so engaged, register his or her name and address with the local law enforcement agency and have his or her photograph taken by the agency. The employee also shall consent to a criminal history record check, which shall be performed by the local law enforcement agency. A person who refuses to consent to a criminal history record check shall not be employed by a dealer required to be licensed under this section. A person who has been convicted of a felony involving a crime of moral turpitude, larceny, receiving stolen goods, or of similar charges shall not be employed by a dealer required to be licensed under this section, unless the person has had his or her rights of citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the date of registration. The agency shall issue to the employee a certificate of compliance with this section upon the applicant's payment of the sum of ten dollars ($10.00) to the agency. The certificate shall be renewed annually for a three-dollar ($3.00) fee and shall be posted in the work area of the registered employee. An employee is not subject to the requirements of this subsection if the employee is engaged in the precious metals purchasing business only incidentally to his or her main job responsibilities, and each precious metals transaction with which the employee is involved is overseen by a licensed dealer or registered employee. All records of transactions must be signed by the licensed dealer or registered employee at the time of the transaction, as required under G.S. 66-410(a).

The State Bureau of Investigation may provide a criminal history record check to the local law enforcement agency for an employee engaged in the precious metals business. The agency shall provide to the State Bureau of Investigation, along with the request, the fingerprints of the employee, any additional information required by the State Bureau of Investigation, and a form signed by the employee consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The employee's fingerprints shall be used by the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The agency shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The State Bureau of Investigation may charge each employee a fee for conducting the checks of criminal history records authorized by this subsection.

(c) Special Occasion Permit. – A special occasion permit authorizes the permittee to purchase precious metals as a dealer participating in any trade shows, antique shows, and crafts shows conducted within the State. A special occasion permit shall be issued by any local law enforcement agency; provided, however, that a permittee under subsection (a) of this section shall apply for a special occasion permit with the local law enforcement agency that issued the dealer's

permit. The Department of Public Safety shall approve the forms for both the application and the permit. The application shall be given under oath and notarized. A 30-day waiting period from the date of filing of the application is required prior to initial issuance of a permit.

Any dealer applying to a local law enforcement agency for a special occasion permit shall furnish the local law enforcement agency with the information required in an application for a dealer's permit as set forth in subsection (a) of this section. In addition, the applicant shall provide a physical address where any item included in a dealer purchase will be held for the period required under G.S. 66-411. The physical address shall be the location where the purchase was made, unless another physical address within the law enforcement jurisdiction where the purchase was made is approved by the law enforcement agency that issues the permit. The items shall be available at all reasonable times for inspection on the premises by law enforcement agencies.

If the applicant for a special occasion permit is a partnership or association, all persons owning a ten percent (10%) or more interest in the partnership or association shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the partnership or association.

If the applicant for a special occasion permit is a corporation, each officer, director and stockholder owning ten percent (10%) or more of the corporation's stock, of any class, shall comply with the provisions of this subsection. Any such permits shall be issued in the name of the corporation.

No permit shall be issued to an applicant who has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state, unless the applicant has had his or her rights of citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the date of application. In the case of a partnership, association, or corporation, no permit shall be issued to any applicant with an officer, partner, or director who has been convicted of a felony involving a crime of moral turpitude, or larceny, or receiving stolen goods or of similar charges in any federal court or a court of this or any other state, unless that person has had his or her rights of citizenship restored pursuant to Chapter 13 of the General Statutes for five years or longer immediately preceding the date of application.

The State Bureau of Investigation may provide a criminal history record check to the local law enforcement agency for a person who has applied for a permit through the agency. The agency shall provide to the State Bureau of Investigation, along with the request, the fingerprints of the applicant, any additional information required by the State Bureau of Investigation, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be used by the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The agency shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The State Bureau of Investigation may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

The filing fee for a special occasion permit application is one hundred eighty dollars ($180.00) to provide for the administrative cost of the local law enforcement agency including purchase of required forms and the cost of conducting the criminal history record check of the applicant. The

fee is not refundable even if the permit is denied or is later suspended or revoked. A special occasion permit is in addition to and not in lieu of other business licenses and is not transferable. No person other than the dealer named on the permit and that dealer's employees may engage in the business of purchasing precious metals under the authority of the permit.

A special occasion permit is valid for 12 months from the date issued, unless earlier surrendered, suspended, or revoked. Application for renewal of a permit for an additional 12 months shall be on a form approved by the Department of Public Safety and shall be accompanied by a nonrefundable renewal fee of one hundred eighty dollars ($180.00).

Each special occasion permit shall be posted in a prominent place on the premises of any show at which the permittee purchases precious metals. (1981, c. 956, s. 1; 2002-147, s. 2; 2009-482, s. 2; 2011-145, s. 19.1(g); 2012-46, ss. 15, 18; 2014-100, s. 17.1(o); 2023-134, s. 19F.4(vv).)

§ 66-408. Perjury; punishment.

Any person who shall willfully commit perjury in any application for a permit or exemption filed pursuant to this Part shall be guilty of a Class 2 misdemeanor. (1981, c. 956, s. 1; 1993, c. 539, s. 525; 1994, Ex. Sess., c. 24, s. 14(c); 2012-46, ss. 15, 19.)

§ 66-409. Bond or trust account required.

Before any permit shall be issued to a dealer pursuant to G.S. 66-407, the dealer shall execute a satisfactory cash or surety bond or establish a trust account with a licensed and insured bank or savings institution located in the State of North Carolina in the sum of ten thousand dollars ($10,000). The bond or trust account shall be in favor of the State of North Carolina. A surety bond is to be executed by the dealer and by two responsible sureties or a surety company licensed to do business in the State of North Carolina and shall be on a form approved by the Department of Public Safety. Any bond shall be kept in full force and effect and shall be delivered to the law-enforcement agency which first issued a current permit to the dealer. A bond or trust account shall be for the faithful performance of the requirements and obligations of the dealer's business in conformity with this Part. Any law-enforcement agency shall have full power and authority to revoke the permit and sue for forfeiture of the bond or trust account upon a breach thereof. Any person who shall have suffered any loss or damage by any act of the permittee that constitutes a violation of this Part shall have the right to institute an action to recover against such permittee and the surety or trust account. Upon termination of the bond or trust account the permit shall become void. (1981, c. 956, s. 1; c. 1001, s. 4; 2011-145, s. 19.1(g); 2012-46, ss. 15, 20.)

§ 66-410. Records to be kept.

(a) Every dealer to whom a permit has been issued pursuant to G.S. 66-407 shall maintain consecutively numbered records of each precious metals transaction. Each consecutively numbered record shall be made at the time of the transaction and shall contain a clear and accurate description of the transaction. A valid description shall include each of the following applicable and available items of information: the manufacturer's name, the model, the model number, the serial number, and any engraved numbers or initials found on the items; the date of the transaction; the name, sex, race, residence, telephone number and driver's license number of the person selling the items purchased; and the signature of both the dealer or registered employee and the seller. In the event the seller cannot furnish valid, unexpired photographic identification in the form of a drivers license, State-issued identification card, passport, or military identification card, the dealer shall require two forms of positive identification.

(b) The consecutively numbered records required by this section shall be kept either (i) in a paginated, bound book or set of books with pages numbered in sequence or (ii) in an electronic database that prevents record deletion, tracks all modifications to records, and provides for electronic signatures.

(c) The records shall be open at all reasonable times to inspection on the premises by law enforcement agencies, and an individual record shall be retained for at least two years after a transaction. If a dealer maintains a record book rather than an electronic database, the book shall be retained until at least two years following the last recorded transaction.

(d) A copy of each consecutively numbered record entry shall be filed within 48 hours of the transaction in the office of the local law enforcement agency. Records shall be filed in the manner authorized by the local law enforcement agency, which may include reporting electronically by transmission over a computer network, by facsimile machine, or by hand delivering hard copies to the local law enforcement agency. In any case where a technological failure prevents a dealer from reporting electronically or by facsimile, the dealer shall have the option of hand delivering a hard copy of the record to the local law enforcement agency. Regardless of the manner in which the local law enforcement agency allows reporting, a dealer shall provide a hard copy of records upon the request of a law enforcement agency.

(e) The files of local law enforcement agencies that contain copies of records shall not be subject to inspection and examination as authorized by G.S. 132-6. Any public official or employee who shall knowingly and willfully permit any person to have access to or custody or possession of any portion of such files, unless the person is one specifically authorized by the local law enforcement agency to have access for purposes of law enforcement investigation or civil or criminal proceedings, shall be guilty of a Class 3 misdemeanor and upon conviction shall only be fined up to five hundred dollars ($500.00) in the discretion of the court. (1981, c. 956, s. 1; 1993, c. 539, s. 526; 1994, Ex. Sess., c. 24, s. 14(c); 2009-482, s. 4; 2012-46, ss. 15, 21.)

§ 66-411. Items not to be modified.

No item included in a dealer purchase shall be sold, traded or otherwise disposed of, melted, cut or otherwise changed in form nor shall any item be removed from the licensed premises, or other location specified on the application for a special occasion permit, for a period of seven days from the date the transaction was reported in accordance with G.S. 66-410. (1981, c. 956, s. 1; 2009-482, s. 5; 2012-46, ss. 15, 22.)

§ 66-412. Purchasing from juvenile.

No dealer or employee or agent thereof shall purchase from any juvenile under 18 years of age any article made, in whole or in part, of precious metal. (1981, c. 956, s. 1; 2012-46, s. 15.)

§ 66-413. Penalties.

Any dealer who violates the provisions of this Part shall be deemed guilty of a Class 2 misdemeanor. In addition any dealer so convicted shall be ineligible for a dealer's permit for a period of three years from the date of conviction. Each and every violation shall constitute a separate and distinct offense. (1981, c. 956, s. 1; 1993, c. 539, s. 527; 1994, Ex. Sess., c. 24, s. 14(c); 2012-46, ss. 15, 23.)

§ 66-414. Portable smelters prohibited.

It shall be unlawful for any person to possess or operate a smelter in any mobile home, trailer, camper, or other vehicle or structure not permanently affixed to the ground, for the purpose of refining precious metals. Violation of the provisions of this section shall constitute a Class 2 misdemeanor. (1981, c. 956, s. 1; 1993, c. 539, s. 528; 1994, Ex. Sess., c. 24, s. 14(c); 2012-46, s. 15.)

§ 66-415: Reserved for future codification purposes.

§ 66-416: Reserved for future codification purposes.

§ 66-417: Reserved for future codification purposes.

§ 66-418: Reserved for future codification purposes.

§ 66-419: Reserved for future codification purposes.

Part 3. Regulation of Sales and Purchases of Metals.

§ 66-420. Definitions.

The following definitions apply in this Part:

(1) Cash card system. – A system of payment that provides payment in cash or in a form other than cash and that when providing payment in the form of cash (i) captures a photograph of the seller at the time payment is received and (ii) uses an automated cash dispenser, including, but not limited to, an automated teller machine.

(1a) Copper. – Nonferrous metals, including, but not limited to, copper wire, copper clad steel wire, copper pipe, copper bars, copper sheeting, copper tubing and pipe fittings, and insulated copper wire. The term shall not include brass alloys, bronze alloys, lead, nickel, zinc, or items not containing a significant quantity of copper.

(2) Fixed site. – A site occupied by a secondary metals recycler as the owner of the site or as a lessee of the site under a lease or other rental agreement providing for occupation of the site by a nonferrous metals purchaser for a total duration of not less than 364 days.

(3) Law enforcement officer. – Any duly constituted law enforcement officer of the State or of any municipality or county.

(4) Nonferrous metals. – Metals not containing significant quantities of iron or steel, including, but not limited to, copper, aluminum other than aluminum cans, a product that is a mixture of aluminum and copper, catalytic converters, lead-acid batteries, and stainless steel beer kegs or containers. The term shall not include precious metals as defined and regulated in Part 2 of this Article.

(5) Nonferrous metals purchaser. – A secondary metals recycler who purchases, gathers, or obtains nonferrous metals.

(6) Permit. – A permit issued pursuant to G.S. 66-426(a).

(7) Regulated metals property. – All ferrous and nonferrous metals.

(8) Secondary metals recycler. – Any person, firm, or corporation in the State:

a. That is engaged in the business of gathering or obtaining ferrous or nonferrous metals that have served their original economic purpose or is in the business of performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential economic value; or

b. That has facilities for performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential economic value, by methods including, but not limited to, the processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content of the metals, but not including the exclusive use of hand tools. (2012-46, s. 28; 2013-169, s. 1.)

§ 66-420.1. Applicability.

This Chapter shall not apply to a salvage yard regulated pursuant to Chapter 20 of the General Statutes, unless the salvage yard is engaged in the business of gathering or obtaining ferrous or nonferrous metals that have served their original economic purpose and is in the business of performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential economic value. (2013-410, s. 30.5.)

§ 66-421. Required records and receipts for regulated metals transactions.

(a) Receipt Required. – A secondary metals recycler shall issue a receipt for all purchase transactions in which the secondary metals recycler purchases regulated metals property. This receipt shall be issued to and signed by the person delivering the property, and the secondary metals recycler shall be able to provide documentation regarding the employee who completed the transaction.

(b) Records Required. – A secondary metals recycler shall maintain an electronic record of all purchase transactions in which the secondary metals recycler purchases regulated metals property. The record of each transaction shall contain the following information:

(1) The name and address of the secondary metals recycler.

(2) The name, initials, or other identification of the individual entering the information.

(3) The date of the transaction.

(4) The weight of the regulated metals property purchased.

(5) The description made in accordance with the custom of the trade of the type of regulated metals property purchased and the physical address where the regulated metals were obtained by the seller and the date when purchased, and a statement signed by the seller or the seller's agent certifying that the seller or the seller's agent has the lawful right to sell and dispose of the property.

(6) The amount of consideration given for the regulated metals property.

(7) The name and address of the vendor of the regulated metals property and the license plate number, make, model, and color of the vehicle used to deliver the regulated metals.

(8) A photocopy or electronic scan of the unexpired drivers license or state or federally issued photo identification card of the person delivering the regulated metals property to the secondary metals recycler. If the secondary metals recycler has a copy of the valid photo identification of the person delivering the regulated metals property on file, the secondary metals recycler must examine the photo identification and verify that it has not expired, but may reference the photo identification that is on file without making a separate photocopy or electronic scan for each subsequent transaction. If the person delivering the regulated metals property does not have an unexpired drivers license or an unexpired state or federally issued photo identification card, the secondary metals recycler shall not complete the transaction.

(9) A copy of the receipt required under subsection (a) of this section when all the information required under subsection (a) of this section is clear and legible or, in the event the copy of the receipt is not clear or not legible, the original receipt.

(10) A video or digital photograph of the seller together with the regulated metals property being delivered by the seller. The video or photograph required by this section shall be of a quality that is sufficient to allow a person of ordinary faculties to identify the person recorded or photographed.

(11) In transactions involving catalytic converters that are not attached to a vehicle, and central air conditioner evaporator coils or condensers, the person delivering the materials shall place next to that person's signature on the receipt required under subsection (a) of this section, a clear impression of that person's index finger that is in ink and free of any smearing. A secondary metals recycler may elect to obtain the fingerprint electronically. If the secondary metals recycler has a copy of the fingerprint of the person delivering the nonferrous metal on file, the secondary metals recycler must examine the photo identification, but may reference the fingerprint that is on file without making a separate fingerprint for each subsequent transaction. If a secondary metals recycler purchases a catalytic converter pursuant to G.S. 66-424(a)(3a), then the secondary metals recycler shall make and retain a copy of all documentation provided to and relied upon by the secondary metals recycler in determining the status of the seller of the catalytic converter. (2012-46, s. 28; 2021-154, s. 2.)

§ 66-422. Inspection of regulated metals property and records.

(a) Retention of Records. — A secondary metals recycler shall keep and maintain the information required under G.S. 66-421(b) for not less than two years from the date of the purchase of the regulated metals property. Records shall be securely maintained at all times and shall be destroyed in a manner that protects the identity of the owner of the property, the seller of the property, and the purchaser of the property.

(b) Inspection of Regulated Metals Property and Records. — During the usual and customary business hours of a secondary metals recycler, a law enforcement officer shall have the right to inspect all of the following:

(1) Any and all purchased regulated metals property in the possession of the secondary metals recycler.

(2) Any and all records required to be maintained under G.S. 66-421(b).

(c) Making Receipts Available for Inspection by Law Enforcement. — A secondary metals recycler shall make receipts for the purchase of regulated metals property available for pickup each regular workday if requested by the sheriff or chief of police of the county or the chief of police of the municipality in which the secondary metals recycler is located. The sheriff or the chief of police may request these receipts to be electronically transferred directly to the law enforcement agency. Records retained by a law enforcement agency shall be securely retained as required by law and destroyed in a manner that protects the identity of the owner of the property, the seller of the property, and the purchaser of the property.

(d) Records Are Not Public. — Records submitted to any public law enforcement agency pursuant to this section are records of criminal investigations or records of criminal intelligence information as defined in G.S. 132-1.4 and are not public records as defined by G.S. 132-1. (2012-46, s. 28.)

§ 66-423. Hold notices for nonferrous metals; retention of nonferrous metals.

(a) Hold Notices. — When a law enforcement officer has reasonable suspicion to believe that any item of nonferrous metal in the possession of a nonferrous metals purchaser has been stolen, the law enforcement officer may issue a hold notice to the nonferrous metals purchaser. The hold notice must be in writing, be delivered to the nonferrous metals purchaser, specifically identify those items of nonferrous metal that are believed to have been stolen and that are subject to the notice, and inform the nonferrous metals purchaser of the information contained in this section. Upon receipt of the notice, the nonferrous metals purchaser must not process or remove the items of nonferrous metal identified in the notice, or any portion thereof, from the secondary metal recycler's fixed site for 15 calendar days after receipt of the notice unless released prior to the 15-day period by the law enforcement officer. A hold notice may be renewed for an additional 30 days by the law enforcement officer. A renewal must satisfy the same requirements as an initial hold notice in order to be valid.

(b) Retention of Nonferrous Metals. — Any secondary metals recycler owner convicted of a felonious violation of this Article, G.S. 14-71, 14-71.1, or 14-72 shall hold and retain nonferrous metals for seven days from the date of purchase before selling, dismantling, crushing, defacing, or in any manner altering or disposing of the regulated metals property. (2012-46, s. 28.)

§ 66-424. Prohibited activities and transactions.

(a) A secondary metals recycler shall not do any of the following:

(1) Operate any business that cashes checks at a fixed site at which the secondary metals recycler purchases regulated metals property.

(2) Purchase nonferrous metals for the purpose of recycling the nonferrous metals, unless the nonferrous metals purchaser possesses a valid permit.

(3) Purchase any central air conditioner evaporator coils or condensers, except that a secondary metals recycler may purchase these items from a company, contractor, or individual that is in the business of installing, replacing, maintaining, or removing these items.

(3a) Purchase any catalytic converters that are not attached to a vehicle, except that a secondary metals recycler may purchase these items from a person listed in G.S. 14-164.1.

(4) Purchase any regulated metals property that the secondary metals recycler knows or reasonably should know to be stolen.

(b) It shall be unlawful to transport or possess on highways of this State an amount of copper weighing in the aggregate more than 25 pounds, unless at least one of the following is true:

(1) The vehicle is used in the ordinary course of business for the purpose of transporting nonferrous metals. This term includes vehicles used by gas, electric, communications, water, plumbing, electrical, and climate conditioning service providers, and their employees, agents, and contractors, in the course of providing these services.

(2) The person transporting or possessing the copper possesses, and presents when requested, a valid bill of sale for the copper.

(3) A law enforcement officer determines that the copper is not stolen and is in the rightful possession of the person.

(c) A secondary metals recycler shall not purchase any of the following:

(1) Any regulated metal marked with the initials or other identification of a telephone, cable, electric, water, or other public utility, or any brewer.

(2) Any utility access cover.

(3) Any street light pole or fixture.

(4) Any road or bridge guard rail.

(5) Any highway or street sign.

(6) Any water meter cover.

(7) Any metal beer keg, including any made of stainless steel that is clearly marked as being the property of the beer manufacturer.

(8) Any traffic directional or control sign.

(9) Any traffic light signal.

(10) Any regulated metal marked with the name of a government entity.

(11) Any spikes, plates, or other railroad track components or signs, and any property owned by a railroad and marked and otherwise identified as such.

(12) Any historical marker or any grave marker or burial vase.

(d) It shall be unlawful for any person that is not a secondary metals recycler to purchase a used catalytic converter not attached to a vehicle.

(e) The provisions of this section do not apply to a used and detached catalytic converter that has been tested, certified, and labeled, or otherwise approved for reuse, and being bought or sold for purposes of reuse, in accordance with the federal Clean Air Act (42 U.S.C. § 7401 et seq.) and regulations under the Clean Air Act, as they may, from time to time, be amended. (2012-46, s. 28; 2021-154, s. 4; 2022-68, s. 1(c).)

§ 66-425. Permissible payment methods for nonferrous metals purchasers.

Limitation on Cash Purchases. No nonferrous metals purchaser shall enter into a cash transaction for the purchase of copper, and no nonferrous metals purchaser shall purchase any nonferrous metal property for any cash consideration greater than one hundred dollars ($100.00) per transaction. Any payment in excess of one hundred dollars ($100.00) per transaction shall be made by check, money order or cash card system. A nonferrous metals purchaser shall not make more than one cash purchase per day from any individual, business, corporation or partnership. (2012-46, s. 28.)

§ 66-426. Issuance of nonferrous metals purchase permits by Sheriff; form; fees; recordkeeping.

(a) Issuance of Permits. — The sheriff of each county shall issue a nonferrous metals purchase permit to an applicant if the applicant (i) has a fixed site in the sheriff's county; (ii) declares on a form provided by the sheriff that the applicant is informed of and will comply with the provisions of this Part; (iii) does not have a permit that has been revoked pursuant to G.S. 66-429(b) at the time of the application; and (iv) has not been convicted of more than three violations of this Part. A permit shall be valid for 12 months and shall be valid only for fixed sites in the county of issuance. A permit shall be obtained for each fixed site at which nonferrous metals are purchased.

(b) Form. — The Attorney General shall prescribe a standard application form and a standard permit form to be used by sheriffs. The permit form shall contain, at a minimum, the date of issuance and the name and address of the permit holder.

(c) Fees; Record-Keeping Requirements. — The sheriff shall not charge a fee for a permit, and shall retain a copy of any permit issued. (2012-46, s. 28; 2012-194, s. 46(a).)

§ 66-427. Exemptions.

This Part does not apply to:

(1) Purchases of regulated metals property from a manufacturing, industrial, government, or other commercial vendor that generates or sells regulated metals property in the ordinary course of its business.

(2) Purchases of regulated metals property that involve only beverage containers, except that G.S. 66-423 shall apply in that case. (2012-46, s. 28.)

§ 66-428. Preemption.

A county or municipality shall not enact any local law, ordinance, or regulation regulating secondary metals recyclers or regulated metals property that conflicts with this Part, and this Part preempts all existing laws, ordinances, or regulations that conflict with it. (2012-46, s. 28.)

§ 66-429. Violations.

(a) Punishment Generally. – Unless the conduct is covered by some other provision of law providing greater punishment, any person knowingly and willfully violating any of the provisions of this Part shall be guilty of a Class 1 misdemeanor for a first offense. A second or subsequent violation of this Part is a Class I felony. In addition to any other punishment imposed for a violation of this Part, any person knowingly and willfully violating any of the provisions of this Part involving the purchase of a catalytic converter shall be punished by a fine of one thousand dollars ($1,000) for each violation.

(b) Revocation of Permits. – If the owner or the employees of a fixed site are convicted of an aggregate of three or more violations of this Part within a 10 year period, the permit associated with that fixed site shall be immediately revoked by the sheriff for a period of six months. Any attempt to circumvent this subsection by procuring a permit through a family member shall result in extension of the revocation period for an additional 18 months. (2012-46, s. 28; 2021-154, s. 3.)

§ 66-430. Restitution.

The court may order a defendant to make restitution to the secondary metals recycler or property owner, as appropriate, for any damage or loss caused by the defendant and arising out of a violation of G.S. 14-71, G.S. 14-71.1, G.S. 14-72, G.S.14-159.4, G.S. 66-424(a)(3),

G.S. 66-424(a)(3a), or G.S. 66-424(a)(4) committed by the defendant. (2012-46, s. 28; 2021-154, s. 5.)

§ 66-431. Forfeiture of vehicles used to transport unlawfully obtained regulated metals property.

(a) Vehicles which are used or intended for use to convey or transport, or in any manner to facilitate the conveyance or transportation of unlawfully obtained regulated metals property, as defined by this Part, are subject to forfeiture, except that:

(1) No conveyance shall be forfeited under the provisions of this section by reason of any act or omission, committed or omitted while such conveyance was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States, or of any state;

(2) No conveyance shall be forfeited unless the violation involved is a felony;

(3) A forfeiture of a vehicle encumbered by a bona fide security interest is subject to the interest of the secured party who had no knowledge of or consented to the act or omission;

(4) No conveyance shall be forfeited under the provisions of this section unless the owner knew or had reason to believe the vehicle was being used in the commission of any violation that may subject the conveyance to forfeiture under this section.

(b) Any vehicle subject to forfeiture under this section may be seized by any law enforcement officer upon process issued by any district or superior court having jurisdiction over the vehicle except that seizure without such process may be made when:

(1) The seizure is incident to an arrest or a search under a search warrant;

(2) The vehicle subject to seizure has been the subject of a prior judgment in favor of the State in a criminal injunction or forfeiture proceeding under this section.

(c) Vehicles taken or detained under this section shall not be repleviable, but shall be deemed to be in custody of the law enforcement agency seizing it, which may:

(1) Place the vehicle under seal; or

(2) Remove the vehicle to a place designated by it; or

(3) Request that the North Carolina Department of Justice take custody of the vehicle and remove it to an appropriate location for disposition in accordance with law.

Any vehicle seized by a State, local, or county law enforcement officer shall be held in safekeeping as provided in this subsection until an order of disposition is properly entered by the judge.

(d) Whenever a vehicle is forfeited under this section, the law enforcement agency having custody of it may:

(1) Retain the vehicle for official use; or

(2) Sell any forfeited vehicle, provided that the proceeds be disposed of for payment of all proper expenses of the proceedings for forfeiture and sale, including expense of seizure, maintenance of custody, advertising, and court costs; or

(3) Transfer any vehicles which are forfeited under the provisions of this section to the North Carolina Department of Justice when, in the discretion of the presiding judge and upon application of the North Carolina Department of

Justice, said vehicle may be of official use to the North Carolina Department of Justice;

(4) Upon determination by the director of any law enforcement agency that a vehicle transferred pursuant to the provisions of this section is of no further use to said agency for use in official investigations, such vehicle may be sold as surplus property in the same manner as other vehicles owned by the law enforcement agency, and the proceeds from such sale after deducting the cost of sale shall be paid to the treasurer or proper officer authorized to receive fines and forfeitures to be used for the school fund of the county in the county in which said vehicle was seized; provided, that any vehicle transferred to any law enforcement agency under the provisions of this section which has been modified to increase speed shall be used in the performance of official duties only and not for resale, transfer, or disposition other than as junk. (2007-301, s. 3; 2012-46, ss. 27, 29.)

§ 66-432: Reserved for future codification purposes.

§ 66-433: Reserved for future codification purposes.

§ 66-434: Reserved for future codification purposes.

§ 66-435: Reserved for future codification purposes.

§ 66-436: Reserved for future codification purposes.

§ 66-437: Reserved for future codification purposes.

§ 66-438: Reserved for future codification purposes.

§ 66-439: Reserved for future codification purposes.