

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 48 entitled “An act relating to regulating the sale of
4 catalytic converters” respectfully reports that it has considered the same and
5 recommends that the House propose to the Senate that the bill be amended by
6 striking out all after the enacting clause and inserting in lieu thereof the
7 following:

8 Sec. 1. 9 V.S.A. chapter 82 is amended to read:

9 Chapter 82: Scrap Metal Processors

10 * * *

11 § 3022. PURCHASE OF NONFERROUS SCRAP, METAL ARTICLES,
12 PROPRIETARY ARTICLES, AND RAILROAD SCRAP

13 (a) Catalytic converters.

14 (1) A scrap metal processor shall not purchase more than one used and
15 detached catalytic converter per day from any person, other than a motor
16 vehicle recycler or motor vehicle repair shop.

17 (2) A person, other than a motor vehicle recycler or motor vehicle repair
18 shop, shall not transport simultaneously two or more used and detached
19 catalytic converters unless:

1 (A) each catalytic converter is engraved or otherwise permanently
2 marked with the vehicle identification number of the vehicle from which it was
3 removed; and

4 (B) the person transporting the catalytic converter has in the person's
5 possession documentation demonstrating proof of lawful ownership as
6 specified in subdivision (b)(1) of this section.

7 (b) Documentation required for sale. A scrap metal processor may
8 purchase nonferrous scrap, metal articles, proprietary articles, and railroad
9 scrap only if the scrap metal processor complies with all the following
10 procedures:

11 (1) At the time of sale, the processor:

12 (A) requires the seller to provide a current government-issued
13 photographic identification that indicates the seller's full name, current
14 address, and date of birth, and records in a permanent ledger the identification
15 information of the seller, the time and date of the transaction, the license
16 number of the seller's vehicle, and a description of the items received from the
17 seller; and

18 (B) requests and, ~~if available,~~ collects:

19 (i) ~~third-party documentation from the seller of the items offered~~
20 for sale, that establishes that the seller lawfully owns the items to be sold, such

1 as a bill of sale, itemized receipt, or letter of authorization, signed by the
2 person from whom the seller purchased the item; or ~~similar evidence~~

3 (ii) a written affidavit of ownership that establishes states that the
4 seller lawfully owns the items to be sold.

5 (2) After purchasing an item from a person who ~~fails to~~ does not provide
6 ~~documentation~~ a bill of sale, itemized receipt, or letter of authorization signed
7 by the person from whom the seller purchased the item pursuant to subdivision
8 (1)(B)(i) of this subsection, the processor:

9 (A) submits to the Department of Public Safety ~~no~~ not later than the
10 close of the following business day a report that describes the item and the
11 seller's identifying information required in subdivision (1)(A) of this
12 subsection; and

13 (B) holds the item for at least 10 days following purchase.

14 (c) Retention of records. The information collected by a scrap metal
15 processor pursuant to this section shall be retained for at least five years at the
16 processor's normal place of business or other readily accessible and secure
17 location. On request, this information shall be made available to any law
18 enforcement official or authorized security agent of a governmental entity who
19 provides official credentials at the scrap metal processor's business location
20 during regular business hours.

21 § 3023. PENALTIES

1 (a) A ~~scrap metal processor~~ person who violates any provision of this
2 chapter for the first time may be assessed a civil penalty not to exceed
3 \$1,000.00 for each transaction.

4 (b) A ~~scrap metal processor~~ person who violates any provision of this
5 chapter for a second or subsequent time shall be fined not more than
6 \$25,000.00 for each transaction.

7 **Sec. 2. 24 V.S.A. § 2242 is amended to read:**

8 § 2242. REQUIREMENT FOR OPERATION OR MAINTENANCE

9 (a) A person shall not operate, establish, or maintain a salvage yard unless
10 he or she:

11 (1) holds a certificate of approval for the location of the salvage yard;

12 and

13 (2) holds a certificate of registration issued by the Secretary to operate,
14 establish, or maintain a salvage yard.

15 (b) The issuance of a certificate of registration under subsection (a) of this
16 section shall not relieve a salvage yard from the obligation to comply with
17 existing State and federal environmental laws and to obtain all permits required
18 under State or federal environmental law.

19 (c) The Secretary may require a person to obtain a salvage yard certificate
20 of registration under this section upon a determination, based on available

1 information, that the person has taken action to circumvent the requirements of
2 this subchapter.

3 (d) Prior to issuing a certificate of registration, the Secretary shall obtain
4 written acknowledgment that the person seeking the certificate is aware of, and
5 will comply with, the requirements for buying, selling, transporting, and
6 keeping records concerning nonferrous scrap, metal articles, proprietary
7 articles, and railroad scrap pursuant to 9 V.S.A. chapter 82.

8 **Sec. 3. ADOPTION OF FORMS; PUBLIC OUTREACH**

9 (a) The Department of Public Safety shall adopt and make available on its
10 public website sample forms for an affidavit or other proof of ownership, for
11 collection and retention of records, and for other record-keeping purposes that
12 persons may use to comply with the requirements for buying, selling,
13 transporting, and keeping records concerning nonferrous scrap, metal articles,
14 proprietary articles, and railroad scrap pursuant to 9 V.S.A. chapter 82.

15 (b) The Department of Public Safety and the Agency of Natural Resources
16 shall coordinate to design and implement a public outreach campaign to
17 educate sellers of scrap metal and proprietary articles, including catalytic
18 converters; scrap metal processors; and law enforcement, on the requirements
19 for buying, selling, transporting, and keep records concerning nonferrous
20 scrap, metal articles, proprietary articles, and railroad scrap pursuant to 9
21 V.S.A. chapter 82 and other relevant provisions of law.

1 Sec. 4. EFFECTIVE DATE

2 This act shall take effect on July 1, 2023.

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11 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE