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S.48

Introduced by Senators Chittenden, Ingalls and Perchlik

Referred to Committee on Economic Development, Housing and General
Affairs

Date: January 31, 2023

Subject: Commerce and trade; consumer protection

Statement of purpose of bill as introduced: This bill proposes to protect
individual and business consumers by further regulating the sale of catalytic
converters to scrap metal processors.

An act relating to regulating the sale of catalytic converters

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 9 V.S.A. § 3022 is amended to read:~~

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

~~(a) A scrap metal processor shall not purchase more than one unattached
catalytic converter per day from any person, other than a motor vehicle
recycler or motor vehicle repair shop.~~

~~(b) A scrap metal processor may purchase nonferrous scrap, metal articles,
proprietary articles, and railroad scrap only if the scrap metal processor
complies with all the following procedures.~~

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

2 ~~(A) requires the seller to provide a current government-issued~~
3 ~~photographic identification that indicates the seller's full name, current~~
4 ~~address, and date of birth, and records in a permanent ledger the identification~~
5 ~~information of the seller, the time and date of the transaction, the license~~
6 ~~number of the seller's vehicle, and a description of the items received from the~~
7 ~~seller; and~~

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

9 ~~(i) third-party documentation from the seller of the items offered~~
10 ~~for sale, that establishes that the seller lawfully owns the items to be sold, such~~
11 ~~as a bill of sale, itemized receipt, or letter of authorization, signed by the~~
12 ~~person from whom the seller purchased the item; or similar evidence~~

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

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

19 ~~(A) submits to the Department of Public Safety ~~no~~ not later than the~~
20 ~~close of the following business day a report that describes the item and the~~

1 ~~seller's identifying information required in subdivision (1)(A) of this~~
2 ~~subsection; and~~

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

4 (c) The information collected by a scrap metal processor pursuant to this
5 section shall be retained for at least five years at the processor's normal place
6 of business or other readily accessible and secure location. On request, this
7 information shall be made available to any law enforcement official or
8 authorized security agent of a governmental entity who provides official
9 credentials at the scrap metal processor's business location during regular
10 business hours.

11 Sec. 2. EFFECTIVE DATE

12 ~~This act shall take effect on July 1, 2023.~~

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

Chapter 82: Scrap Metal Processors

** * **

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

(a) Catalytic converters.

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

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

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

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

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

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

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

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

(i) third-party documentation from the seller of the items offered for sale, that establishes that the seller lawfully owns the items to be sold, such as a bill of sale, itemized receipt, or letter of authorization, signed by the person from whom the seller purchased the item; or similar evidence

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

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

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

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

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

§ 3023. PENALTIES

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

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

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2023.