

1
2
3
4
5
6
7
8
9

10
11
12
13
14
15
16
17
18
19
20

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.~~

~~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. 24 V.S.A. § 2242 is amended to read:

§ 2242. REQUIREMENT FOR OPERATION OR MAINTENANCE

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

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

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

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

(c) The Secretary may require a person to obtain a salvage yard certificate of registration under this section upon a determination, based on available information, that the person has taken action to circumvent the requirements of this subchapter.

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

Sec. 3. 24 V.S.A. § 2244 is added to read:

§ 2244. PERIODIC INSPECTIONS

(a) The Secretary shall conduct an unannounced inspection of the physical operation, record-keeping practices, and regulatory compliance practices of salvage yards to ensure compliance with applicable provisions of this subchapter.

(b) As part of the inspection program, the Secretary shall annually inspect at least one facility to ensure compliance with 9 V.S.A. chapter 82.

Sec. 4. ADOPTION OF FORMS; PUBLIC OUTREACH

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

(b) The Department of Public Safety and the Agency of Natural Resources shall coordinate to design and implement a public outreach campaign to educate sellers of scrap metal and proprietary articles, including catalytic

converters; scrap metal processors; and law enforcement on the requirements for buying, selling, transporting, and keeping records concerning nonferrous scrap, metal articles, proprietary articles, and railroad scrap pursuant to 9 V.S.A. chapter 82 and other relevant provisions of law.

~~Sec. 5. 20 V.S.A. § 2355 is amended to read:~~

~~§ 2355. COUNCIL POWERS AND DUTIES~~

~~* * *~~

~~(b)(1) The Council shall conduct and administer training schools and offer courses of instruction for law enforcement officers and other criminal justice personnel. The Council shall offer courses of instruction for law enforcement officers in different areas of the State and shall strive to offer nonovernight courses whenever possible.~~

~~(2) The Council may also offer the basic officer's course for preservice students and educational outreach courses for the public, including firearms safety and use of force.~~

~~(3) Following the conclusion of each session of the General Assembly, the Council shall prepare and make available to law enforcement agencies throughout the State and constables exercising law enforcement authority pursuant to 24 V.S.A. § 1936 materials or training concerning new or amended State law that affects law enforcement activities, including changes to civil, criminal, and administrative violations, procedures, penalties and enforcement.~~

~~Sec. 6. EFFECTIVE DATE~~

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