

House File 2387 - Introduced

HOUSE FILE 2387
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 686)

A BILL FOR

1 An Act relating to sales of catalytic converters to scrap metal
2 dealers, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.27, subsection 2, Code 2022, is
2 amended to read as follows:

3 2. a. A person shall not sell scrap metal to a scrap metal
4 dealer in this state unless the person provides to the scrap
5 metal dealer, at or before the time of sale, the person's name,
6 address, and place of business, if any, and presents to the
7 scrap metal dealer a valid driver's license or nonoperator's
8 identification card, military identification card, passport,
9 or other government-issued photo identification. If the
10 scrap metal is a catalytic converter, the person shall sign a
11 statement swearing or affirming that the catalytic converter is
12 owned by the person and that the catalytic converter was not
13 taken from a vehicle without the vehicle owner's consent, and
14 shall submit the statement to the scrap metal dealer.

15 b. (1) A scrap metal dealer shall not make ~~an initial~~ a
16 purchase of scrap metal from a person without demanding and
17 receiving the information required by **this subsection**.

18 (2) However, after an initial transaction, a scrap metal
19 dealer may only require the person's name and place of
20 business for subsequent purchases, provided the scrap metal
21 dealer retains all information received during the initial
22 transaction. This subparagraph does not apply to transactions
23 involving a catalytic converter.

24 Sec. 2. Section 714.27, subsection 5, paragraph b, Code
25 2022, is amended by striking the paragraph.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 Under current law, a person is prohibited from selling scrap
30 metal, which includes a catalytic converter detached from
31 a motor vehicle, to a scrap metal dealer unless the person
32 provides to the scrap metal dealer, at or before the time
33 of sale, the person's name, address, and place of business,
34 if any, and presents to the scrap metal dealer a valid
35 government-issued photo identification. A scrap metal dealer

1 is required to keep a confidential register or log of each
2 transaction, including a record of the required information
3 provided by the seller. All records and information must be
4 retained for at least two years, and must be provided to a law
5 enforcement agency or other officer or employee designated by
6 a county or city upon request during normal business hours as
7 part of an investigation. A scrap metal dealer is prohibited
8 from making an initial purchase of scrap metal from a person
9 without demanding and receiving the required transaction
10 information. However, after an initial transaction, a scrap
11 metal dealer may only require the person's name and place of
12 business for subsequent purchases, provided the scrap metal
13 dealer retains all information received during the initial
14 transaction. A person who violates these provisions is subject
15 to a civil penalty of between \$100 and \$1,000.

16 This bill requires a person selling a catalytic converter
17 to sign a statement swearing or affirming that the catalytic
18 converter is owned by the person and that the catalytic
19 converter was not taken from a vehicle without the vehicle
20 owner's consent. The seller must submit the statement to the
21 scrap metal dealer.

22 The bill requires a scrap metal dealer to demand and receive
23 the required information for every transaction involving a
24 catalytic converter.

25 Under current law, transactions for the sale of catalytic
26 converters in which the total sale price is \$75 or less
27 are exempt from the scrap metal transaction information and
28 recordkeeping requirements. The bill strikes this exemption,
29 thereby applying the bill and the provisions of Code section
30 714.27 to any sale of a catalytic converter.