House Study Bill 751 - Introduced

HOUSE FILE

BY (PROPOSED COMMITTEE ON WAYS AND MEANS BILL BY CHAIRPERSON KAUFMANN)

A BILL FOR

- 1 An Act relating to transactions involving used catalytic
- 2 converters.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 714.27A, subsection 2, paragraphs b and 2 c, Code 2024, are amended to read as follows:

b. For a business transaction in which the person selling 3 4 the catalytic converter operates a business at a fixed location 5 in this state, the person shall provide to the purchaser a 6 copy of the person's valid sales tax permit issued pursuant to 7 chapter 423 or a copy of the person's valid business license 8 or permit. For a business transaction in which the person 9 selling the catalytic converter operates a business at a fixed 10 location in another state and is authorized to conduct a 11 business transaction in this state, the person shall provide 12 to the purchaser a copy of the person's valid sales tax permit 13 issued pursuant to chapter 423, if the person has such a 14 permit, or a copy of the person's valid business license or 15 permit from the other state. If a person is unable to provide 16 the documentation required in this paragraph, the person shall 17 instead comply with paragraph c''.

18 c. For transactions other than business transactions, the 19 person selling the catalytic converter shall provide to the 20 purchaser an original receipt or invoice for a replacement 21 catalytic converter purchased fewer than thirty days before 22 the person sells the replaced catalytic converter, <u>a signed</u> 23 <u>affidavit attesting to the seller's valid ownership of the</u>

24 <u>catalytic converter</u>, or a junking certificate for a vehicle 25 that was issued fewer than thirty days before the person sells 26 the catalytic converter.

(1) The receipt, invoice, <u>affidavit</u>, or junking certificate
presented by the person to the purchaser must be unmarked by a
purchaser pursuant to <u>subsection 3</u>.

30 (2) This paragraph does not apply to a transaction if the 31 person presents proof, unmarked pursuant to subsection 3, to 32 the purchaser that the sale is approved by the sheriff of the 33 county in which the vehicle from which the catalytic converter 34 was removed is registered.

35 Sec. 2. Section 714.27A, subsection 3, paragraph b, Code

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LSB 6399YC (1) 90 th/ns 1 2024, is amended to read as follows:

2 b. A person who purchases a catalytic converter shall mark 3 the receipt, invoice, affidavit, junking certificate, or proof 4 of sheriff approval presented under subsection 2 to indicate 5 the catalytic converter has been sold. The person shall take a 6 photograph of the catalytic converter that clearly identifies 7 the item as a catalytic converter. Sec. 3. Section 714.27A, subsection 6, unnumbered paragraph 8 9 1, Code 2024, is amended to read as follows: 10 A person, including a person who conducts a business ll transaction on behalf of another person, who intentionally 12 violates this section shall be subject to a civil penalty as 13 follows: 14 Sec. 4. Section 714.27A, subsection 7, unnumbered paragraph 15 1, Code 2024, is amended to read as follows: 16 Proof that a person, including a person who conducted a 17 business transaction on behalf of another person, intentionally 18 violated subsection 2 or 3 shall be evidence from which the 19 court or jury may infer any of the following: 20 EXPLANATION 21 The inclusion of this explanation does not constitute agreement with 22 the explanation's substance by the members of the general assembly. Under current law, for a business transaction, as defined in 23 24 Code section 714.27A, in which the seller of a used catalytic 25 converter operates a business at a fixed location in this 26 state, the seller must provide to the purchaser a copy of the 27 seller's valid sales tax permit issued pursuant to Code chapter

28 423. This bill authorizes such a seller to alternatively 29 provide a copy of the seller's valid business license or 30 permit. The seller of a catalytic converter operating a 31 business at a fixed location in another state is authorized to 32 provide a copy of the person's valid business license or permit 33 from the other state under current law.

34 For transactions other than business transactions under 35 current law, the person selling the used catalytic converter

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1 is required to provide to the purchaser an original receipt or 2 invoice for a replacement catalytic converter purchased fewer 3 than 30 days before the person sells the replaced catalytic 4 converter, or a junking certificate for a vehicle that was 5 issued fewer than 30 days before the person sells the catalytic 6 converter. The bill authorizes a seller to provide a signed 7 affidavit attesting to the seller's valid ownership of the 8 catalytic converter instead of the original receipt, invoice, 9 or junking certificate. The bill requires a purchaser to mark 10 an affidavit in the same manner the purchaser must mark other 11 acceptable forms of proof of ownership under Code section 12 714.27A.

Under current law, a person, including a person who 14 conducts a business transaction on behalf of another person, 15 who violates Code section 714.27A is subject to a civil 16 penalty ranging from \$1,000 to \$10,000 based on the number 17 of violations that occur within a two-year period. Proof 18 that a person, including a person who conducted a business 19 transaction on behalf of another person, violated Code section 20 714.27A(2) or 714.27A(3) is evidence from which the court or 21 jury may infer culpability relating to the theft of a catalytic 22 converter. The bill requires that a person must intentionally 23 violate Code section 714.27A to be subject to the corresponding 24 civil or criminal penalty, as applicable.

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