# Senate File 2441 - Introduced

SENATE FILE 2441
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3206)

(COMPANION TO LSB 6399HV BY COMMITTEE ON WAYS AND MEANS)

# 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:

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- 1 Section 1. Section 714.27A, subsection 2, paragraphs b and 2 c, Code 2024, are amended to read as follows:
- 3 b. For a business transaction in which the person selling
- 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, a signed
- 23 affidavit attesting to the seller's valid ownership of the
- 24 catalytic converter, or a junking certificate for a vehicle
- 25 that was issued fewer than thirty days before the person sells
- 26 the catalytic converter.
- 27 (1) The receipt, invoice, affidavit, or junking certificate
- 28 presented by the person to the purchaser must be unmarked by a
- 29 purchaser pursuant to subsection 3.
- 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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- 1 2024, is amended to read as follows:
- 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.
- 8 Sec. 3. Section 714.27A, subsection 6, unnumbered paragraph
- 9 1, Code 2024, is amended to read as follows:
- 10 A person, including a person who conducts a business
- 11 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.
- 23 Under current law, for a business transaction, as defined in
- 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.
- 13 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.