SENATE FILE 2287
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3088)

(As Amended and Passed by the Senate March 2, 2022)
ALL New Language by the Senate

A BILL FOR

An Act relating to used catalytic converter transactions, providing penalties, and making penalties applicable.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 714.1, subsection 4, Code 2022, is amended to read as follows:

4. Exercises control over stolen property, knowing such property to have been stolen, or having reasonable cause to believe that such property has been stolen, unless the person's purpose is to promptly restore it to the owner or to deliver it to an appropriate public officer. The fact that the person is found in possession of property which has been stolen from two or more persons on separate occasions, or that the person is a dealer or other person familiar with the value of such property and has acquired it for a consideration which is far below its reasonable value, or that the person violated section 714.27A in a transaction involving the property, shall be evidence from which the court or jury may infer that the person knew or believed that the property had been stolen.

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

a. "*Scrap metal*" means any metal suitable for reprocessing. "*Scrap metal*" does not include a motor vehicle~~, but does include~~ or a catalytic converter detached from a motor vehicle.

Sec. 3. Section 714.27, subsection 5, paragraph a, Code 2022, is amended to read as follows:

a. Transactions in which the total sale price is fifty dollars or less~~, except transactions for the sale of catalytic converters~~.

Sec. 4. Section 714.27, subsection 5, paragraph b, Code 2022, is amended by striking the paragraph.

Sec. 5. NEW SECTION. **714.27A Used catalytic converter transactions — reporting — penalties.**

1. For purposes of this section:

a. "*Business transaction*" means an exchange of consideration for a catalytic converter between a scrap metal dealer, as defined in section 714.27, and another scrap metal dealer, an authorized vehicle recycler licensed under chapter 321H operating a business at a fixed location, a motor vehicle

dealer licensed under chapter 322 operating a business at a fixed location, a towable recreational vehicle dealer licensed under chapter 322C operating a business at a fixed location, a mechanic or an automotive repair facility operating a business at a fixed location, or a person operating a similar business at a fixed location in another state.

b. "*Catalytic converter*" means a catalytic converter that was previously installed in a motor vehicle and subsequently removed.

2. *a.* A person shall not sell a catalytic converter in this state unless the person provides to the purchaser, at or before the time of sale, the person's name, address, and place of business, if any, and presents to the purchaser a valid driver's license or nonoperator's identification card, military identification card, passport, or other government-issued photo identification.

b. For a business transaction in which the person selling the catalytic converter operates a business at a fixed location in this state, the person shall provide to the purchaser a copy of the person's valid sales tax permit issued pursuant to chapter 423. For a business transaction in which the person selling the catalytic converter operates a business at a fixed location in another state and is authorized to conduct a business transaction in this state, the person shall provide to the purchaser a copy of the person's valid sales tax permit issued pursuant to chapter 423, if the person has such a permit, or a copy of the person's valid business license or permit from the other state. If a person is unable to provide the documentation required in this paragraph, the person shall instead comply with paragraph "*c*".

c. For transactions other than business transactions, the person selling the catalytic converter shall provide to the purchaser an original receipt or invoice for a replacement catalytic converter purchased fewer than thirty days before the person sells the replaced catalytic converter, or a junking

certificate for a vehicle that was issued fewer than thirty days before the person sells the catalytic converter.

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

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

3. *a.* A person shall not purchase a catalytic converter from a seller without demanding and receiving the information required by subsection 2.

b. A person who purchases a catalytic converter shall mark the receipt, invoice, junking certificate, or proof of sheriff approval presented under subsection 2 to indicate the catalytic converter has been sold. The person shall take a photograph of the catalytic converter that clearly identifies the item as a catalytic converter.

c. A person who purchases a catalytic converter shall have a residence or fixed business address within this state.

4. A person who purchases a catalytic converter shall keep a confidential register or log of each transaction, including a copy of the information required by subsections 2, 3, and 5. All records and information kept pursuant to this subsection shall be retained for at least two years, and shall be provided to a law enforcement agency or other officer or employee designated by a county or city to enforce this section upon request during normal business hours when the law enforcement agency or designated officer or employee of a county or city has reasonable grounds to request such information as part of an investigation. A law enforcement agency or designated officer or employee of a county or city shall preserve the confidentiality of the information provided under this subsection and shall not disclose it to a third party, except

as may be necessary in enforcement of this section or the prosecution of a criminal violation.

5. A transaction under this section shall be made by check or electronic funds transfer.

6. A person, including a person who conducts a business transaction on behalf of another person, who violates this section shall be subject to a civil penalty as follows:

a. For an initial violation, one thousand dollars.

b. For a second violation within two years, five thousand dollars.

c. For a third or subsequent violation within two years, ten thousand dollars.

7. Proof that a person, including a person who conducted a business transaction on behalf of another person, violated subsection 2 or 3 shall be evidence from which the court or jury may infer any of the following:

a. The person aided and abetted the underlying theft of the catalytic converter involved in the transaction from a vehicle, under section 703.1.

b. The person had knowledge that a public offense has been committed and that a certain person committed it, for purposes of proving the person acted as an accessory after the fact under section 703.3.

Sec. 6. Section 805.8C, Code 2022, is amended by adding the following new subsection:

NEW SUBSECTION. 10A. *Used catalytic converter transaction violations.* For violations of section 714.27A, the scheduled fine is one thousand dollars for a first violation, five thousand dollars for a second violation within two years, and ten thousand dollars for a third or subsequent violation within two years. The scheduled fine under this subsection is a civil penalty which shall be deposited into the general fund of the county or city if imposed by a designated officer or employee of a county or city, or deposited in the general fund of the state if imposed by a state agency, and the crime

services surcharge under section 911.1 shall not be added to the penalty.