

HB 757 -- COMMERCIAL ACTIVITY

SPONSOR: Mayhew

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Crime and Public Safety by a vote of 12 to 5. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 9 to 0.

Currently, a person who engages in the business of salvaging, wrecking, or dismantling vehicles for resale of the parts thereof must be licensed by the Department of Revenue (DOR). This bill modifies this provision to include those persons who engage in the buying or selling of catalytic converters or the component parts of catalytic converters.

Currently, all dealers of junk, scrap metal, or other secondhand property must keep records of certain transactions. This bill requires that in addition to existing pieces of information, all records of the purchase or trade-in of a detached catalytic converter must include:

- (1) Either proof that the seller is a bona fide automobile repair shop, or an affidavit that attests the detached catalytic converter was acquired lawfully; and
- (2) The make, model, year, and vehicle identification number of the vehicle from which the detached catalytic converter originated.

Currently, dealers in junk, scrap metal, or other secondhand property must keep records of certain transactions for a minimum of 36 months. This bill increases the length of time to four years. The DOR must provide a standardized form for recording the transactions, and must submit said forms at least monthly to DOR.

The bill specifies that it is unlawful for a person to solicit payment of moneys by any writing that could be considered a bill, invoice, or statement of account due, but is in fact a solicitation for an order, unless the solicitation meets the requirements specified in the bill, including a disclaimer printed on the face of the solicitation. Any person damaged by the noncompliance of this section is entitled to damages in an amount equal to three times the sum solicited.

Currently, the operator of a self-service storage facility who wishes to proceed with the sale of personal property stored within a leased space must satisfy certain requirements. This bill states that at least seven days before such a sale the operator must advertise the time, place, and terms of the sale in the classified section of a newspaper in the jurisdiction where the sale is to be

held, or in any other commercially reasonable manner. The manner of advertisement must be deemed commercially reasonable if at least three independent bidders attend or view the sale at the time and place advertised.

The bill adds that a person commits the offense of stealing, if for the purpose of depriving the owner of a lawful interest therein, he or she receives, retains, or disposes of a catalytic converter and knows it has been stolen, believes it has been stolen, or reasonably should have suspected that such property was stolen.

The bill establishes the offense of unlawful possession of a detached catalytic converter. This offense is a class E felony. A person commits the offense of unlawful possession of a detached catalytic converter if the person possesses a catalytic converter with the intent to sell unless:

- (1) The catalytic converter is possessed in the course of legitimate business;
- (2) The catalytic converter is a component or constituent part of an item or equipment owned by the individual; or
- (3) The possession of the catalytic converter is for some other lawful purpose.

Currently, whoever engages in the sale of certain items, specified in the bill, on a Sunday is guilty of a misdemeanor. The bill specifies that the sale of these certain items, except for motor vehicles, on a Sunday no longer constitutes an offense.

PROPOSERS: Supporters say that this is a collection of several bills, some of which were added on the floor last year. There was a loophole in the law allowing those involved in the process to avoid the licensing process if they were in the business of catalytic converters, and this bill closes the loophole. This also requires the person collecting catalytic converters to report once a month to the Department of Revenue. Law enforcement has no real concept of the cost of the resources used investigating stolen catalytic converters. It is ineffective for storage unit owners to advertise in newspapers, so this bill helps them reach a wider audience by giving them the ability to advertise in different media.

Testifying in person for the bill were Representative Mayhew; General Motors Company; and Missouri Self Storage Owners Association.

OPPONENTS: Those who oppose the bill say that they are opposed specifically to the record-keeping requirements. There already are very thorough record-keeping processes, it would be burdensome to increase requirements. Opponents would be open to changes regarding record-keeping processes.

Testifying in person against the bill were Advantage Metals Recycling and Recycled Materials Association.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.