

HB 2206 -- COMMERCIAL ACTIVITY

SPONSOR: Mayhew

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Judiciary by a vote of 12 to 1. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 8 to 2 with 1 member voting present.

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 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.

A person will have committed 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.

A person will have committed 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 a legitimate business purpose;
- (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.

The commission of such an offense is a Class E felony.

Currently, whoever engages in the sale of certain items, specified in the bill, on a Sunday is guilty of a misdemeanor. A county can seek an exemption to this provision by submitting such question to the voters. This bill repeals this language.

This bill is similar to HB 757 (2025).

PROPOSERS: Supporters say that this is not a victimless crime. These catalytic converters are being stolen and it affects people significantly because replacing them often costs more than the car itself. Most people who are getting the catalytic converter stolen have liability insurance only so they cannot afford to get it replaced. This legislation helps law enforcement because it turns something anonymous into traceable evidence.

Testifying in person for the bill were Representative Mayhew; Missouri Police Chiefs Association; Arnie Dienoff; Missouri Insurance Coalition; Stacy Ball, Pulaski Co. Sheriff's Office; and Missouri Sheriffs United.

OPPONENTS: Those who oppose the bill say that it is already illegal for scrap metal purchasers to not keep records, and they do not buy detached catalytic converters. They oppose the additional requirements placed upon the purchasers at the point of sale because the additional requirements will only serve to overly burden operations that are above board. There are operations that operate illegally but no one does anything about them. This just put more burdens on the legal operations. Insurance companies are reporting that there has been a significant drop in claims.

Testifying in person against the bill were Advantage Metals Recycling; Recycled Materials Association; Dennis Warden, Warden Publishing Co. Inc; and Peggy Scott, Leader Publications.

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.