

2022 Regular Session

HOUSE BILL NO. 1073 (Substitute for House Bill No. 801 by Representative GOUDEAU)

BY REPRESENTATIVES GOUDEAU, BACALA, BOURRIAQUE, BUTLER, COUSSAN, DESHOTEL, DEVILLIER, ECHOLS, EDMONDS, FIRMENT, FISHER, GAROFALO, GREEN, HARRIS, HORTON, HUVAL, MIKE JOHNSON, LACOMBE, MCKNIGHT, MCMAHEN, NEWELL, ORGERON, PIERRE, ROMERO, STAGNI, STEFANSKI, WHITE, AND ZERINGUE

SECONDHAND DEALERS: Provides relative to scrap metal recyclers

1 AN ACT

2 To enact Part II-B of Chapter 21 of Title 37 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 37:1891 through 1896, relative to scrap metal recyclers; to  
4 provide for the sale and purchase of catalytic converters; to provide definitions; to  
5 provide for fees; to provide for licensing requirements; to provide for record  
6 keeping; to provide for exceptions; to provide for fines and penalties; and to provide  
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Part II-B of Chapter 21 of Title 37 of the Louisiana Revised Statutes of  
10 1950, comprised of R.S. 37:1891 through 1896, is hereby enacted to read as follows:

11 PART II-B. CATALYTIC CONVERTER PURCHASERS

12 §1891. Short title

13 This Part shall be known and may be cited as the "Louisiana Catalytic  
14 Converter Sales Law".

15 §1892. Definitions

16 For purposes of this Part, the following words have the following meanings:

17 (1) "Catalytic converter" means an exhaust emission control device that  
18 reduces toxic gas and pollutants from internal combustion engines.

19 (2) "Catalytic converter purchaser" is a person licensed by the commission  
20 to buy detached catalytic converters pursuant to the provisions of this Part.

1           (3) "Commission" means the Louisiana Used Motor Vehicle Commission.

2           (4) "Person" includes any corporation, limited liability company, partnership,  
3           or two or more persons having a joint or common interest.

4           §1893. License required; application

5           A. No person shall do business as a catalytic converter purchaser in this state  
6           without having first obtained a business license from the commission. Any person  
7           desiring a license as a catalytic converter purchaser shall make an application in  
8           writing, specifying the address of the building where the business is to be carried on.  
9           A license issued pursuant to this Chapter shall be good for two years.

10           B.(1) It shall be unlawful for any person, firm, association, corporation,  
11           limited liability company, or trust to engage in the business of purchasing used  
12           catalytic converters in this state without first obtaining a license as required by this  
13           Section.

14           (2) Any person, firm, association, corporation, limited liability company, or  
15           trust that engages in the business of purchasing used catalytic converters pursuant  
16           to this Section shall obtain and hold a current license to engage in the business of  
17           purchasing used catalytic converters.

18           C.(1) The commission shall create a form to be used as an application for  
19           licensure as a purchaser of used catalytic converters and shall provide the form to an  
20           applicant.

21           (2) The commission shall require all of the following information in the  
22           application:

23           (a) The name of the applicant.

24           (b) The street address of applicant's principal place of business and each  
25           additional place of business.

26           (c) The type of business organization of applicant.

27           (d) Whether the applicant has an established place of business and is  
28           engaged in the pursuit, avocation, or business for which each license is applied.

1           (e) Whether the applicant is able to properly conduct the business for which  
2           each license is applied.

3           (f) Any other pertinent information consistent with the safeguarding of the  
4           public interest and the public welfare.

5           (g) Any other information the commission deems necessary to enable it to  
6           fully determine the qualifications and eligibility of the applicants to receive a license.

7           (3) The applicant shall sign the application prior to submission to the  
8           commission.

9           (4)(a) Upon submission of an application, an applicant shall pay all  
10           applicable fees in accordance with this Section. If an application is denied and the  
11           license is not issued, the commission shall return all licensing fees to the applicant.

12           (b) Any licensee that submits a renewal application after the expiration date  
13           of an existing license shall be subject to a late penalty of one hundred dollars in  
14           addition to any penalty, fine, or cost assessed for operating without a license which  
15           shall be paid to the commission.

16           (c) Any licensee having a previous license shall be presumed to be a renewal  
17           applicant.

18           (d) Any licensee changing its name, address, or ownership shall notify the  
19           commission within ten days of the change or be in violation of this Section.

20           (e) Any licensee ceasing to maintain its business shall surrender its license  
21           to the commission within ten days and any failure to do so shall constitute a  
22           violation.

23           D. The commission shall specify the location of the place of business on each  
24           license issued. If the business location is changed, the commission shall be notified  
25           immediately of the change and the commission may endorse the change of location  
26           on the license without charge. The license shall be posted in a conspicuous place in  
27           each place of business.

28           E. The commission shall promulgate rules to implement the provisions of this  
29           Section.

1        §1894. Exceptions

2                The provisions of this Part shall not apply to either of the following:

3                (1) A person engaged solely in the business of buying, selling, trading in, or  
4                otherwise acquiring new motor vehicles.

5                (2) A person possessing not more than one detached catalytic converter if  
6                there is documentation to indicate how the detached catalytic converter was acquired.

7        §1895. Requirements of purchaser and seller; record keeping

8                A. Except as otherwise provided for in this Section, it is unlawful for any  
9                person to possess, obtain or otherwise acquire, transport, or sell more than one used,  
10               detached catalytic converter or any nonferrous part of a catalytic converter without  
11               providing all of the following documentation to law enforcement upon request:

12                (1) The name and address of the residence or place of business of the person  
13                required to either keep the register and file reports or electronically maintain the data  
14                and generate the requested reports.

15                (2) The date and place of each purchase.

16                (3) The name and address of the person or persons from whom the material  
17                was purchased, including the distinctive number of each person's Louisiana driver's  
18                license, driver's license from another state, passport, military identification, or  
19                identification issued by a governmental agency or the United States Postal Service.  
20                If the person cannot produce any form of identification as provided for in this  
21                Paragraph at the time of purchase, the purchaser shall not complete the transaction.

22                (4) The motor vehicle license number of the vehicle or conveyance on which  
23                such material was delivered.

24                (5) A full description and photograph of all such material purchased.

25                (6) A picture of the person from whom the material was purchased.

26                B. All information obtained pursuant to Subsection A of this Section shall  
27                be kept for a period of three years and shall be made available for inspection by any  
28                peace officer, law enforcement official, or commission official at any time during the  
29                three-year period.

1           C. Any person who purchases a used detached catalytic converter shall obtain  
2           a signed statement from the seller prior to the purchase attesting that the catalytic  
3           converter has been paid for or is owned by the seller. A failure of the purchaser to  
4           obtain a statement from the seller shall be prima facie evidence of the fraudulent  
5           intent and guilty knowledge on the part of the purchaser within the meaning of this  
6           Part and shall be sufficient to warrant a conviction. A purchaser who obtains the  
7           required statement from the seller shall be exonerated from any fraudulent, willful,  
8           or criminal knowledge within the meaning of this Chapter.

9           D. It is unlawful to provide any false, fraudulent, altered or counterfeit  
10          information or documentation as required by this Section.

11          §1896. Failure to comply; penalty

12           A. Anyone acting as an unlicensed catalytic converter purchaser in violation  
13          of the provisions of this Part shall be fined not less than five hundred dollars and be  
14          imprisoned not less than thirty days nor more than sixty days per violation as  
15          provided for in Subsection D of this Section.

16           B. For a second offense, the violator shall be fined not more than two  
17          thousand dollars and be imprisoned with or without hard labor for not more than two  
18          years per violation as provided for in Subsection D of this Section.

19           C. For a third or subsequent offense, the violator shall be fined not more than  
20          ten thousand dollars and be imprisoned with or without hard labor for not more than  
21          five years per violation as provided for in Subsection D of this Section.

22           D. Each unlawfully obtained, possessed, or transported used, detached  
23          catalytic converter is a separate violation that subjects the individual or entity to a  
24          separate charge. Upon conviction, the court may order the individual or entity to pay  
25          restitution for the value of the repair and replacement of the catalytic converter or be  
26          held liable as otherwise provided by law.

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**DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 1073 Reengrossed

2022 Regular Session

Goudeau

**Abstract:** Prohibits a person from purchasing a used catalytic converter unless certain conditions are met.

Proposed law defines "catalytic converter", "commission", "person", and "catalytic converter purchaser".

Proposed law requires a person to be licensed in order to do business as a catalytic converter purchaser.

A person applying for a license pursuant to proposed law shall make an application in person.

Proposed law requires a licensed purchaser to hold a separate license for each place of business where he purchases used catalytic converters.

Proposed law requires the Louisiana Used Motor Vehicle Commission (commission) to create a form to be used as an application for licensure and provides the required information the form is to contain.

Proposed law requires an applicant to sign the application and pay all applicable fees prior to obtaining a license.

Proposed law requires a late fee be paid for a license renewal, if the original license is expired prior to application for renewal.

A person who ceases to maintain a business shall surrender his license pursuant to proposed law.

Proposed law requires the commission to indicate the business address on each license and requires the license holder to notify the commission if the address changes.

The commission is required to promulgate rules to implement provisions of proposed law.

Proposed law does not apply to persons buying and selling new motor vehicles or persons having one detached converter, if he can show where it originated through documentation.

Proposed law requires a seller of a used catalytic converter to provide certain documentation to the law enforcement upon request.

Information collected pursuant to proposed law shall be maintained for three years.

A violation of proposed law subjects the person in violation to fees and imprisonment. The amount of the fee and duration of the imprisonment increases with each subsequent violation, and each catalytic converter purchased in violation of proposed law constitutes a separate violation.

(Adds R.S. 37:1891-1896)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Provide that proposed law does not apply to a person having one detached catalytic converter if he can document how he legally acquired it.
2. Remove the requirement that the application provide for the applicant's financial standing and business integrity.
3. Add a requirement that a purchaser obtain a photograph of the item purchased.
4. Add a requirement that a purchaser obtain a signed statement by the seller.
5. Mandates that a violator be fined and imprisoned.
6. Make technical changes.