



Senate

General Assembly

File No. 309

February Session, 2022

Substitute Senate Bill No. 256

Senate, April 5, 2022

The Committee on Public Safety and Security reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE PURCHASE OR RECEIPT OF
CATALYTIC CONVERTERS BY MOTOR VEHICLE RECYCLERS,
SCRAP METAL PROCESSORS AND JUNK DEALERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-67m of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2022*):

4 (a) Each motor vehicle recycler licensee shall maintain a suitable
5 office and keep accurate records of all motor vehicles or major
6 component parts thereof received, dismantled or sold. Such records
7 may be handwritten, typewritten or computer-generated. Such records,
8 vehicles and parts shall be available for inspection during regular
9 business hours by one or more representatives of the Department of
10 Motor Vehicles, the Division of State Police within the Department of
11 Emergency Services and Public Protection or any organized local police
12 department. Such inspection shall include examination of the recycler's
13 premises to determine the accuracy of the required records. Such

14 records shall include the make, year, engine number, if any, and
15 identification number of each vehicle, the name and address of the
16 person from whom each vehicle or part was received and to whom each
17 vehicle or part was sold, if a sale occurred, [a copy of the proof provided
18 in subsection (c) of this section in the case of a catalytic converter,] and
19 the date of such receipt and sale. The records shall be maintained for a
20 period of two years after each receipt or sale. Twice a month, each such
21 licensee shall mail to the Commissioner of Motor Vehicles a list of all
22 motor vehicles received, stating the make, year, engine number, if any,
23 and identification number of each such vehicle. The list, on a form
24 approved by the commissioner, shall be mailed or delivered to the
25 commissioner on or before the twentieth day of each month, covering
26 the first fifteen days of that month, and on or before the fifth day of each
27 month, covering the sixteenth through the last day of the preceding
28 month. A recycler shall report the information contained on such lists to
29 the National Motor Vehicle Title Information System under 49 USC
30 Section 30504. Nothing in this subsection shall be construed to require
31 the department to report any of such information to said title
32 information system.

33 (b) No motor vehicle recycler licensee may receive a motor vehicle
34 unless the licensee receives the vehicle's certificate of title, if the vehicle
35 is required to have title, or a copy of the vehicle's certificate of title made
36 by an insurance company pursuant to section 14-16c, at the time of
37 receipt of the vehicle. Upon receipt of any such certificate or copy, such
38 licensee shall stamp on it the word "JUNKED" in one-inch-high letters
39 not to exceed three inches in length. Any certificate of title received,
40 other than a title acquired for use in connection with the licensee's
41 business, shall accompany the list sent pursuant to subsection (a) of this
42 section. Any such copy received shall be maintained for as long as the
43 junk is on the licensee's premises. If the Commissioner of Motor Vehicles
44 determines that information concerning junked motor vehicles required
45 to be reported by a licensee to the National Motor Vehicle Title
46 Information System under 49 USC Sections 30501 to 30505, inclusive,
47 and 28 CFR Sections 25.51 to 25.57, inclusive, is available to the
48 department on a regular basis from the National Motor Vehicle Title

49 Information System, the commissioner may discontinue the
50 requirement that a licensee submit to the department (1) a list of vehicles
51 or parts received, in accordance with the provisions of subsection (a) of
52 this section, and (2) certificates of title or copies of such certificates, in
53 accordance with the provisions of this subsection.

54 (c) (1) No motor vehicle recycler licensee may receive a catalytic
55 converter of a motor vehicle unless [the licensee, at the time of receipt,
56 obtains from the seller (1) proof of ownership of such motor vehicle, or
57 (2) proof that the seller is an authorized agent of the owner of such motor
58 vehicle] such catalytic converter is attached to a motor vehicle that such
59 recycler receives in compliance with the provisions of this section.

60 (2) No motor vehicle recycler may sell or transfer a catalytic converter
61 unless such recycler (A) detaches such catalytic converter from a motor
62 vehicle received by such recycler in compliance with the provisions of
63 this section, and (B) etches onto such catalytic converter the vehicle
64 identification number of the motor vehicle from which such catalytic
65 converter was detached.

66 (d) The Commissioner of Motor Vehicles may adopt regulations, in
67 accordance with chapter 54, concerning the records required by this
68 section.

69 (e) The commissioner may, after notice and hearing, impose a civil
70 penalty of not less than one hundred dollars nor more than five hundred
71 dollars for each offense on any person, firm or corporation who violates
72 the provisions of this section.

73 Sec. 2. Section 21-11a of the general statutes is repealed and the
74 following is substituted in lieu thereof (*Effective July 1, 2022*):

75 (a) A scrap metal processor, as defined in section 14-67w, shall record,
76 for all loads of scrap metal purchased or received by such processor, a
77 description of such scrap metal, the weight of such metal, the price paid
78 for such metal and the identification of the person who delivered such
79 metal. Such scrap metal processor shall take a photograph of the motor

80 vehicle delivering such scrap metal, including the [license] number plate
81 of such vehicle. Such scrap metal processor shall not be required to
82 segregate scrap metal it receives from other materials on its premises
83 and hold the same for five days except for wire or cable that could be
84 used in the transmission of telecommunications or data or scrap
85 equipment, wire or cable that could be used in the transmission or
86 distribution of electricity by an electric distribution company unless
87 purchased from (1) a person licensed pursuant to section 29-402 to
88 engage in the business of demolition of buildings, or (2) a person who
89 has already segregated such scrap metal pursuant to this chapter and
90 such person provides such scrap metal processor with a written
91 statement affirming such segregation. Upon receipt of a load of scrap
92 metal that contains wire or cable that could be used in the transmission
93 of telecommunications or data or scrap equipment, wire or cable that
94 could be used in the transmission or distribution of electricity by an
95 electric distribution company, such scrap metal processor shall take a
96 photograph of the motor vehicle delivering such scrap metal, including
97 the [license] number plate of such vehicle, and of such load of scrap
98 metal. Upon receipt of wire or cable that could be used in the
99 transmission of telecommunications or data or scrap equipment, wire or
100 cable that could be used in the transmission or distribution of electricity
101 by an electric distribution company, such scrap metal processor shall
102 make a copy of the certificate of registration of such vehicle, record a
103 description of the material received, and record a statement as to the
104 location from which the material came. Upon receipt of a load of scrap
105 metal that contains materials, equipment or parts used in the
106 construction, operation, protection or maintenance of a railroad right-
107 of-way, such scrap metal processor shall take a photograph of the motor
108 vehicle delivering such scrap metal, including the [license] number plate
109 of such vehicle and of such load of scrap metal. Upon receipt of a load
110 of scrap metal that contains materials, equipment or parts used in the
111 construction, operation, protection or maintenance of a railroad right-
112 of-way, such scrap metal processor shall make a copy of the certificate
113 of registration of such vehicle, record a description of the material
114 received and record a statement as to the location from which the

115 material came.

116 (b) The scrap metal processor shall maintain the documents,
117 photographs and other records required under subsection (a) of this
118 section in good condition and shall retain such records for a period of
119 not less than two years. Such records shall be open for inspection by law
120 enforcement officials upon request during normal business hours.

121 (c) A scrap metal processor, junk dealer or junk yard owner or
122 operator shall immediately notify a municipal law enforcement
123 authority in the municipality in which such scrap metal processor, junk
124 dealer or junk yard is located of the name, if known, and motor vehicle
125 [license] number plate, [number,] if available, of any person offering to
126 sell a bronze statue, plaque, historical marker, cannon, cannon ball, bell,
127 lamp, lighting fixture, lamp post, architectural artifact or similar item to
128 such scrap metal processor, junk dealer or junk yard owner or operator.

129 (d) No scrap metal processor, junk dealer or junk yard owner or
130 operator may purchase or receive a stainless steel or aluminum alloy
131 beer or other beverage keg container if such container is marked with
132 an indicia of ownership of any person or entity other than the person or
133 entity presenting such container for sale. For purposes of this
134 subsection, "indicia of ownership" means words, symbols or a registered
135 trademark printed, stamped, etched, attached or otherwise displayed on
136 such container that identify the owner of such container.

137 (e) No scrap metal processor, junk dealer or junk yard owner or
138 operator may purchase or receive any property that such scrap metal
139 processor, junk dealer or junk yard owner or operator suspects or has
140 reasonable cause to believe is municipal property unless the person
141 delivering such property presents at the time of delivery a letter on the
142 letterhead of the municipality authorizing such purchase or receipt and
143 signed by either (1) the chief executive officer of the municipality, or (2)
144 the head of the municipal department responsible for maintaining such
145 public property. The scrap metal processor, junk dealer or junk yard
146 owner or operator shall send any moneys paid for such municipal
147 property to the official designated in the letter of authorization.

148 (f) (1) No scrap metal processor or junk dealer may receive a catalytic
149 converter of a motor vehicle that is not attached to such motor vehicle,
150 unless the scrap metal processor or junk dealer, at the time of receipt:

151 (A) Records the place and date of the transaction, a description of the
152 catalytic converter, including item type and identification number, if
153 any, and the amount paid for the catalytic converter;

154 (B) Records a description of the seller and the seller's name, residence
155 address and motor vehicle operator's license or identity card number or,
156 if the seller is a business, the name, address and telephone number of
157 the business;

158 (C) Records the number plate of the motor vehicle used to transport
159 the catalytic converter to the licensee;

160 (D) Obtains from the seller a statement (i) that the seller is the owner
161 of such catalytic converter, or (ii) identifying the name of the person
162 from whom the seller obtained the catalytic converter, as shown on a
163 signed transfer document; and

164 (E) Takes a clear photograph or video of the seller, the motor vehicle
165 operator's license or identity card of the seller and the catalytic
166 converter.

167 (2) A seller may sell only one catalytic converter to such scrap metal
168 processor or junk dealer per day.

169 (3) A scrap metal processor or junk dealer may only pay a seller of a
170 catalytic converter by check, which such processor or dealer shall either
171 (A) send to the address provided by the seller in subparagraph (B) of
172 subdivision (1) of this subsection, or (B) hold at such processor's or
173 dealer's place of business for collection by the seller not earlier than the
174 third business day after the date of the purchase of such catalytic
175 converter by such processor or dealer.

176 (4) Each scrap metal processor and junk dealer shall (A) maintain the
177 documents and other records required by this subsection in good

178 condition, (B) retain such documents and records for a period of not less
179 than two years, and (C) allow inspection of such documents and records
180 by law enforcement officials upon request during normal business
181 hours.

182 (5) Each scrap metal processor or junk dealer shall submit to the
183 Department of Emergency Services and Public Protection, on a weekly
184 basis or more frequently as determined by the commissioner upon
185 consideration of the volume and nature of the business, a sworn
186 statement of such processor's or such dealer's catalytic converter
187 transactions, describing the property received and setting forth the
188 nature and terms of each transaction and the name and residence
189 address and a description of the person from whom the property was
190 received. Such statement shall be in an electronic format prescribed by
191 the commissioner. The commissioner may grant an exemption from the
192 requirement of submitting such statement in electronic format for good
193 cause shown. The commissioner shall include information submitted
194 pursuant to this subdivision in any database that stores information
195 submitted pursuant to section 21-43.

196 ~~[(f)]~~ (g) A scrap metal processor who has purchased scrap metal that
197 is subsequently determined to have been stolen and is returned to the
198 owner of such metal shall have a civil cause of action against the person
199 from whom such metal was purchased.

200 ~~[(g)]~~ (h) A first violation of [subsection (a), (b), (c), (d) or (e)] any
201 provision of subsections (a) to (e), inclusive, of this section shall be a
202 class C misdemeanor. A second violation of any provision of said
203 subsections shall be a class B misdemeanor and a third or subsequent
204 violation of any provision of said subsections shall be a class A
205 misdemeanor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	14-67m
Sec. 2	July 1, 2022	21-11a

Statement of Legislative Commissioners:

In Sec. 2(c), "number," was bracketed for consistency; in Sec. 2(f)(1)(C), "number" was deleted for consistency; and in Sec. 2(f)(3) "section" was changed to "subsection" for accuracy.

PS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill modifies the statutes related to handling, receiving, selling, and transferring catalytic convertors for scrap metal processors, junk dealers, and licensed motor vehicle recyclers. Existing law allows for the imposition of both civil penalties by the Department of Motor Vehicles (Section 1) and criminal penalties (Section 2) for the relevant statutes. While these authorities have rarely been used, it is anticipated that the bill may result in more violations and potential revenue gain.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of penalties imposed.

OLR Bill Analysis**sSB 256*****AN ACT CONCERNING THE PURCHASE OR RECEIPT OF CATALYTIC CONVERTERS BY MOTOR VEHICLE RECYCLERS, SCRAP METAL PROCESSORS AND JUNK DEALERS.*****SUMMARY**

This bill makes several changes affecting motor vehicle recyclers, scrap metal processors, and junk dealers regarding how catalytic converters are received and sold.

For motor vehicle recyclers, the bill prohibits them from (1) receiving a vehicle's catalytic converter unless it is attached to a vehicle and (2) selling or transferring a converter unless they etch its corresponding vehicle identification number onto it.

For scrap metal processors and junk dealers, the bill establishes several recordkeeping requirements and other conditions surrounding the receipt of a catalytic converter that is not attached to its vehicle. Among other things, it prohibits anyone from selling more than one unattached catalytic converter to a scrap metal processor or junk dealer in a day.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2022

§ 1 — RESTRICTIONS ON MOTOR VEHICLE RECYCLERS

The bill eliminates current law that (1) prohibits motor vehicle recyclers from receiving a vehicle's catalytic converter unless the seller provides proof that he or she owns the vehicle or is the owner's authorized agent and (2) requires recyclers to keep copies of the proof with their records. It instead prohibits recyclers from receiving a vehicle's catalytic converter unless it is attached to a vehicle and

received in compliance with existing state law. This law prohibits a recycler from receiving a vehicle unless the recycler also receives, at the same time, (1) the vehicle's title certificate, if it is required to have title; or (2) a copy of the vehicle's title certificate made by an insurance company under state law.

Additionally, the bill prohibits motor vehicle recyclers from selling or transferring a catalytic converter unless the recycler (1) detaches it from a vehicle that was received in compliance with the above law and (2) etches onto it the vehicle identification number of the vehicle it was detached from.

The bill provides the same penalties for violations of the bill's provisions as apply to violations of existing law described above. The motor vehicles commissioner may, after notice and hearing, impose a civil penalty of \$100 to \$500 for each violation (§ 1(e)) and suspend the recycler's license (CGS § 14-67p). In addition, violations of motor vehicle recycler laws are punishable as class C misdemeanors, punishable by up to three months in prison, a fine of up to \$500, or both (CGS § 14-67v).

§ 2 — RESTRICTIONS AFFECTING SCRAP METAL PROCESSORS AND JUNK DEALERS

The bill prohibits scrap metal processors and junk dealers from receiving a catalytic converter that is not attached to its vehicle unless they, at the same time:

1. record the place and date of the transaction, a description of the converter, including item type and identification number, if any, and the amount paid for the converter;
2. record (a) a description of the seller and the seller's name, residence address, and driver's license or identity card number, or (b) if the seller is a business, its name, address, and telephone number;
3. record the license plate of the vehicle used to transport the converter;

4. obtain a statement from the seller (a) that the seller is the converter's owner or (b) identifying the name of the person from whom the seller obtained the converter, as shown on a signed transfer document; and
5. take a clear photograph or video of the seller, the seller's driver's license or identity card, and the converter.

The bill prohibits anyone from selling more than one unattached catalytic converter to a scrap metal processor or junk dealer in a day.

Under the bill, scrap metal processors and junk dealers may only pay a seller of an unattached catalytic converter by check. They must either (1) send the check to the address provided by the seller at the time of receipt, or (2) hold it at their place of business for collection by the seller not earlier than the third business day after the date they purchased the converter.

The bill requires scrap metal processors and junk dealers to maintain the above documents and other records in good condition, retain them for at least two years, and allow law enforcement officials to inspect them upon request during normal business hours. They must also submit to the Department of Emergency Services and Public Protection (DESPP) sworn statements of their catalytic converter transactions, describing the property received and setting forth the nature and terms of each transaction and the seller's name, description, and residence address.

The bill gives the DESPP commissioner discretion to require these statements be submitted on a weekly basis or more often after considering the volume and nature of a processor's or dealer's business. The statements must be in an electronic format set by the commissioner; however, he may grant an exemption to this requirement if good cause is shown. The commissioner must include the submitted information in any database storing information on pawnbroker transactions.

Under existing law, it is a class C misdemeanor for anyone engaged

in the business of a junk dealer to violate the junk dealer laws (CGS § 21-13). This also applies to violations of the bill.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/22/2022)