

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 608
100TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Consumer Protection, Energy and the Environment, February 20, 2020, with recommendation that the Senate Committee Substitute do pass.

3119S.02C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 301.227, 407.300, and 407.302, RSMo, and to enact in lieu thereof seven new sections relating to scrap metals, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 301.227, 407.300, and 407.302, RSMo, are repealed
2 and seven new sections enacted in lieu thereof, to be known as sections 301.227,
3 407.296, 407.297, 407.298, 407.299, 407.300, and 407.302, to read as follows:

301.227. 1. Whenever a vehicle is sold for salvage, dismantling or
2 rebuilding, the purchaser shall forward to the director of revenue within ten days
3 the certificate of ownership or salvage certificate of title and the proper
4 application and fee of eight dollars and fifty cents, and the director shall issue a
5 negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On
6 vehicles purchased during a year that is no more than six years after the
7 manufacturer's model year designation for such vehicle, it shall be mandatory
8 that the purchaser apply for a salvage title. On vehicles purchased during a year
9 that is more than six years after the manufacturer's model year designation for
10 such vehicle, then application for a salvage title shall be optional on the part of
11 the purchaser. Whenever a vehicle is sold for destruction and a salvage
12 certificate of title, junking certificate, or certificate of ownership exists, the seller,
13 if licensed under sections 301.217 to 301.221, shall forward the certificate to the
14 director of revenue within ten days, with the notation of the date sold for
15 destruction and the name of the purchaser clearly shown on the face of the
16 certificate.

17 2. Whenever a vehicle is classified as junk, as defined in section 301.010,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 the purchaser may forward to the director of revenue a properly completed
19 application for a junking certificate as well as the salvage certificate of title or
20 certificate of ownership and the director shall issue a negotiable junking
21 certificate to the purchaser of the vehicle. The director may also issue a junking
22 certificate to a possessor of a vehicle manufactured twenty-six years or more prior
23 to the current model year who has a bill of sale for said vehicle but does not
24 possess a certificate of ownership, provided no claim of theft has been made on
25 the vehicle and the highway patrol has by letter stated the vehicle is not listed
26 as stolen after checking the registration number through its nationwide computer
27 system. Such junking certificate may be granted within thirty days of the
28 submission of a request. A junking certificate shall authorize the holder to
29 possess, transport, or, by assignment, transfer ownership in such parts, scrap, or
30 junk.

31 3. For any vehicle issued a junking certificate or such similar document
32 or classification pursuant to the laws of another state, regardless of whether such
33 designation has been subsequently changed by law in any other state, the
34 department shall only issue a junking certificate, and a salvage certificate of title
35 or original certificate of ownership shall not thereafter be issued for such
36 vehicle. Notwithstanding the provisions of this subsection, if the vehicle has not
37 previously been classified as a junk vehicle, the applicant making the original
38 junking certification application shall, within ninety days, be allowed to rescind
39 his application for a junking certificate by surrendering the junking certificate
40 and apply for a salvage certificate of title in his name. The seller of a vehicle for
41 which a junking certificate has been applied for or issued shall disclose such fact
42 in writing to any prospective buyers before sale of such vehicle; otherwise the sale
43 shall be voidable at the option of the buyer.

44 4. No scrap metal operator shall acquire or purchase a motor vehicle or
45 parts thereof without, at the time of such acquisition, receiving the original
46 certificate of ownership or salvage certificate of title or junking certificate from
47 the seller of the vehicle or parts, unless the seller is a licensee under sections
48 301.219 to 301.221.

49 5. All titles and certificates required to be received by scrap metal
50 operators from nonlicensees shall be forwarded by the operator to the director of
51 revenue within ten days of the receipt of the vehicle or parts.

52 6. The scrap metal operator shall keep a record, for three years, of the
53 seller's name and address, the salvage business license number of the licensee,

54 date of purchase, and any vehicle or parts identification numbers open for
55 inspection as provided in section 301.225.

56 7. Notwithstanding any other provision of this section, a motor vehicle
57 dealer as defined in section 301.550 and licensed under the provisions of sections
58 301.550 to 301.572 may negotiate one reassignment of a salvage certificate of title
59 on the back thereof.

60 8. Notwithstanding the provisions of subsection 1 of this section, an
61 insurance company which settles a claim for a stolen vehicle may apply for and
62 shall be issued a negotiable salvage certificate of title without the payment of any
63 fee upon proper application within thirty days after settlement of the claim for
64 such stolen vehicle. However, if the insurance company upon recovery of a stolen
65 vehicle determines that the stolen vehicle has not sustained damage to the extent
66 that the vehicle would have otherwise been declared a salvage vehicle pursuant
67 to section 301.010, then the insurance company may have the vehicle inspected
68 by the Missouri state highway patrol, or other law enforcement agency authorized
69 by the director of revenue, in accordance with the inspection provisions of
70 subsection 9 of section 301.190. Upon receipt of title application, applicable fee,
71 the completed inspection, and the return of any previously issued negotiable
72 salvage certificate, the director shall issue an original title with no salvage or
73 prior salvage designation. Upon the issuance of an original title the director shall
74 remove any indication of the negotiable salvage title previously issued to the
75 insurance company from the department's electronic records.

76 9. **(1)** Notwithstanding subsection 4 of this section or any other provision
77 of the law to the contrary, if a motor vehicle is inoperable and is at least ten
78 model years old, or the parts are from a motor vehicle that is inoperable and is
79 at least ten model years old, a scrap metal operator may purchase or acquire such
80 motor vehicle or parts without receiving the original certificate of ownership,
81 salvage certificate of title, or junking certificate from the seller of the vehicle or
82 parts, provided the scrap metal operator verifies with the department of revenue,
83 via the department's online record access, that the motor vehicle is not subject to
84 any recorded security interest or lien and the scrap metal operator complies with
85 the requirements of this subsection. In lieu of forwarding certificates of title or
86 ownership for such motor vehicles as required by subsection 5 of this section, the
87 scrap metal operator shall forward a copy of the seller's state identification card
88 along with a bill of sale to the department of revenue. The bill of sale form shall
89 be designed by the director and such form shall include, but not be limited to, a

90 certification that the motor vehicle is at least ten model years old, is inoperable,
91 is not subject to any recorded security interest or lien, and a certification by the
92 seller that the seller has the legal authority to sell or otherwise transfer the
93 seller's interest in the motor vehicle or parts. Upon receipt of the information
94 required by this subsection, the department of revenue shall cancel any certificate
95 of title or ownership and registration for the motor vehicle. If the motor vehicle
96 is inoperable and at least twenty model years old, then the scrap metal operator
97 shall not be required to verify with the department of revenue whether the motor
98 vehicle is subject to any recorded security interests or liens. As used in this
99 subsection, the term "inoperable" means a motor vehicle that is in a rusted,
100 wrecked, discarded, worn out, extensively damaged, dismantled, and mechanically
101 inoperative condition and the vehicle's highest and best use is for scrap purposes.

102 **(2) The provisions of this subsection shall not apply in any city**
103 **not within a county, any county with a charter form of government and**
104 **with more than nine hundred fifty thousand inhabitants, any home rule**
105 **city with more than four hundred thousand inhabitants and located in**
106 **more than one county, any county of the first classification with more**
107 **than two hundred thousand but fewer than two hundred sixty thousand**
108 **inhabitants, any county of the first classification with more than**
109 **eighty-three thousand but fewer than ninety-two thousand inhabitants**
110 **and with a city of the fourth classification with more than four**
111 **thousand five hundred but fewer than five thousand inhabitants as the**
112 **county seat, and any county with a charter form of government and**
113 **with more than six hundred thousand but fewer than seven hundred**
114 **thousand inhabitants.**

115 **10. If a scrap metal operator has knowledge that a motor vehicle**
116 **or parts thereof described under subsection 9 of this section originated**
117 **in any of the locations set forth in subdivision (2) of subsection 9 of this**
118 **section, such operator shall not acquire or purchase a motor vehicle or**
119 **parts thereof without, at the time of such acquisition, receiving the**
120 **original certificate of ownership or salvage certificate of title or**
121 **junking certificate from the seller of the vehicle or parts, unless the**
122 **seller is a licensee under sections 301.219 to 301.221. The provisions of**
123 **this subsection shall not apply to any person licensed under sections**
124 **301.550 to 301.580.**

125 **11. The director of the department of revenue is directed to promulgate**

126 rules and regulations to implement and administer the provisions of this section,
127 including but not limited to, the development of a uniform bill of sale. Any rule
128 or portion of a rule, as that term is defined in section 536.010, that is created
129 under the authority delegated in this section shall become effective only if it
130 complies with and is subject to all of the provisions of chapter 536 and, if
131 applicable, section 536.028. This section and chapter 536 are nonseverable and
132 if any of the powers vested with the general assembly pursuant to chapter 536 to
133 review, to delay the effective date, or to disapprove and annul a rule are
134 subsequently held unconstitutional, then the grant of rulemaking authority and
135 any rule proposed or adopted after August 28, 2012, shall be invalid and void.

407.296. As used in sections 407.296 to 407.303, the following

2 terms mean:

3 (1) "Catalytic converter", a device designed for use in a vehicle
4 for purposes of chemically converting harmful exhaust gases, produced
5 by the internal combustion engine, into harmless carbon dioxide and
6 water vapor;

7 (2) "Copper property", any insulated copper wire, copper tubing,
8 copper guttering and downspouts, or any item composed completely of
9 copper;

10 (3) "Copper property peddler", any person who sells or attempts
11 to sell copper property and who is not either a licensed or certified
12 tradesperson or does not hold a business license issued by a city,
13 municipality, or county;

14 (4) "Ferrous metals", metals which contain iron and are magnetic;

15 (5) "HVAC component", any air conditioner evaporator coil or
16 condenser used in connection with a residential, commercial, or
17 industrial building;

18 (6) "Nonferrous metals", metals which do not contain significant
19 amounts of iron and are not magnetic, such as aluminum, brass, lead,
20 zinc, and copper;

21 (7) "Scrap metal dealer", any entity, including any person, firm,
22 company, partnership, association, or corporation, located in this state
23 who purchases products containing ferrous or nonferrous metals for
24 recycling;

25 (8) "Vehicle repair shop", any commercial facility engaged in the
26 repair or replacement of car, truck, van, motorcycle, or other motorized
27 mechanical and exhaust components, whether as a primary or ancillary

28 activity.

407.297. 1. No person shall engage in the business of a copper
2 property peddler in any home rule city with more than four hundred
3 thousand inhabitants and located in more than one county or any city
4 not within a county without first obtaining a license from the
5 governing municipality and complying with the provisions of this
6 section.

7 2. The municipality issuing the license shall determine the
8 license fee. The license shall expire June thirtieth of each year. Each
9 license shall bear a separate number, the name and address of the
10 licensee, and telephone number of the licensee. The license shall be
11 available only to the person in whose name it is issued and shall not be
12 used by any person other than the original licensee. Any licensee who
13 shall permit his or her license to be used by any other person, and any
14 other person who shall use a license granted to another person, shall
15 each be deemed guilty of a violation of this section.

16 3. Application for a license under this section shall be made in
17 writing to the governing municipality and shall state the name, age,
18 description, and address of the applicant. The application shall include
19 a sworn statement setting forth each and every conviction of the
20 applicant for violations of federal, state, or municipal laws, statutes, or
21 ordinances. In addition, the applicant shall, at his or her expense,
22 obtain a complete copy of the applicant's criminal record as indicated
23 by the records of a law enforcement agency and submit such record as
24 part of the application. No license shall be granted to any person who
25 has been convicted of burglary, robbery, stealing, theft, or possession
26 or receiving stolen goods in the last twenty-four months prior to the
27 date of the application.

28 4. The municipality shall have the power and authority to revoke
29 any license under this section for any willful violation of this section,
30 section 407.298, or section 407.299 by a copper property peddler,
31 provided the licensee has been notified in writing at his or her place
32 of business of the violations complained of and shall have been afforded
33 a reasonable opportunity to have a hearing.

407.298. 1. A scrap metal dealer shall pay for any copper
2 property or HVAC component as follows:

3 (1) A scrap metal dealer shall not pay cash for any copper

4 property or HVAC component unless the seller presents, or the scrap
5 metal dealer has on file, a valid business license, or a valid trade
6 license or trade certificate recognized by a national trade association
7 or organization;

8 (2) Payment to any seller of copper property or HVAC component
9 who presents a valid copper property peddler's license shall be by
10 check. Checks shall be written to the licensee or certified tradesperson
11 and may be delivered to the seller at the time of the sale;

12 (3) Payment to any seller of copper property or HVAC component
13 who does not present or have on file a valid business license, valid
14 trade license, or certificate or valid copper peddler's license shall be by
15 check. Checks shall be payable only to the person whose name was
16 recorded as delivering the copper property or HVAC component to the
17 scrap metal dealer; provided, however, that if such person is delivering
18 the copper property or HVAC component on behalf of a governmental
19 entity or a nonprofit or for profit business entity, the check may be
20 payable to such entity. All checks issued to a seller of copper property
21 or HVAC component who does not present or have on file a valid
22 business license, valid trade license, or valid copper peddler's license
23 shall be mailed via the United States mail to the address provided on
24 the driver's license or photo identification issued by the state provided
25 by the seller;

26 (4) Checks shall not be converted to cash by a scrap metal dealer
27 or by any related entity.

28 2. This section shall not apply to any transaction for which the
29 seller has an existing business relationship with the scrap metal dealer
30 and is known to the scrap metal dealer making the purchase to be an
31 established business with a fixed location that can be reasonably
32 expected to generate regulated scrap metal and can be reasonably
33 identified as such a business or is a political subdivision.

407.299. 1. If a scrap metal dealer has actual knowledge that
2 copper property or a HVAC component in its possession has been
3 stolen, the dealer shall notify a law enforcement agency via 911 and
4 provide any information in its possession relative to the seller or the
5 sale transaction.

6 2. Following notice from the scrap metal dealer, or if the law
7 enforcement agency has reasonable suspicion that the scrap metal

8 dealer is in possession of stolen property, the law enforcement agency
9 may issue to the scrap metal dealer a written notice placing a ten-day
10 hold order on the property.

11 3. (1) It is unlawful for any person to knowingly present for sale
12 to a scrap metal dealer stolen ferrous or nonferrous metal, including
13 but not limited to, copper property or HVAC components. Any person
14 who knowingly presents for sale stolen ferrous or nonferrous metal
15 shall be guilty of a separate offense for each item of scrap metal and
16 shall upon conviction be subject to a fine of not less than five hundred
17 dollars or by imprisonment for a period not to exceed ninety days or
18 both fine and imprisonment.

19 (2) It is unlawful for a person to willfully and maliciously cut,
20 mutilate, deface, or otherwise injure any personal or real property
21 owned by a third party, including any fixtures or improvements, for the
22 purpose of obtaining ferrous or nonferrous metals in any amount. Any
23 person who willfully and maliciously cuts, mutilates, defaces, or
24 otherwise injures any personal or real property owned by a third party
25 for the purpose of obtaining ferrous or nonferrous metal shall be guilty
26 of a separate offense for each item of scrap metal derived from such
27 actions and shall upon conviction be subject to a fine of not less than
28 five hundred dollars or by imprisonment for a period not to exceed
29 ninety days or both fine and imprisonment.

30 (3) In addition to the penalties described in this subsection, a
31 copper property peddler's license shall be revoked if he or she
32 knowingly violates sections 407.296 to 407.300.

407.300. 1. Every purchaser or collector of, or dealer in, junk, scrap
2 metal, or any secondhand property shall keep a register containing a written or
3 electronic record for each purchase or trade in which each type of material,
4 **which includes ferrous and nonferrous metals**, subject to the provisions of
5 this section is obtained for value. There shall be a separate record for each
6 transaction involving any:

- 7 (1) Copper, brass, or bronze;
- 8 (2) Aluminum wire, cable, pipe, tubing, bar, ingot, rod, fitting, or fastener;
- 9 (3) Material containing copper or aluminum that is knowingly used for
10 farming purposes as farming is defined in section 350.010; whatever may be the
11 condition or length of such metal;
- 12 (4) Catalytic converter; or

13 (5) Motor vehicle, heavy equipment, or tractor battery.

14 2. The record required by this section shall contain the following data:

15 (1) A copy of the driver's license or photo identification issued by the state
16 or by the United States government or agency thereof to the person from whom
17 the material is obtained;

18 (2) The current address, gender, birth date, and a photograph of the
19 person from whom the material is obtained if not included or are different from
20 the identification required in subdivision (1) of this subsection;

21 (3) The date, time, and place of the transaction;

22 (4) The license plate number of the vehicle used by the seller during the
23 transaction;

24 (5) A full description of the material, including the weight and purchase
25 price, **any business license number or the copper property peddler's**
26 **license (including the name of the issuing municipality), amount paid,**
27 **and license plate number of the vehicle delivering the material. The**
28 **information shall be completed in full without any missing data or**
29 **information described in this subsection.**

30 3. The records required under this section shall be maintained for a
31 [minimum of twenty-four months] **period of three years** from when such
32 material is obtained and shall be available for inspection by any law enforcement
33 officer. **All records required under this section shall be photocopied and**
34 **maintained for three years from the date of the transaction.**

35 4. **Any person selling copper property who holds a valid business**
36 **license or copper property peddler's license shall present a copy of**
37 **such license to the scrap metal dealer.**

38 5. **A transaction receipt shall be issued and consist of the same**
39 **information required under subsection 1 of this section and shall**
40 **include the following statement: "By accepting payment from (insert**
41 **name of scrap metal dealer), seller represents and warrants that the**
42 **material documented by this receipt is owned by the seller or was**
43 **lawfully obtained, and the seller has the legal right to sell the material**
44 **to (insert name of scrap metal dealer)". If the seller provides any**
45 **documentation indicating that the seller is in lawful possession of the**
46 **scrap metal, or was otherwise lawfully acquired, including without**
47 **limitation a bill of sale or receipt, the scrap metal dealer shall**
48 **photocopy such documentation and maintain it with the transaction**

49 **information otherwise required by this section.**

50 **6. A scrap metal dealer, the agent employee, or representative of**
51 **a scrap metal dealer shall not disclose personal information concerning**
52 **a customer under this section without the consent of the customer**
53 **unless the disclosure is made in response to a request from a law**
54 **enforcement agency. A scrap metal dealer shall implement reasonable**
55 **safeguards:**

56 **(1) To protect the security of the personal information required**
57 **under subsection 2 of this section; and**

58 **(2) To prevent unauthorized access to or disclose of that**
59 **information.**

60 **7. A scrap metal dealer shall not be liable to any customer for a**
61 **disclosure of personal information if the scrap metal dealer has met the**
62 **requirements set forth in subsection 5 of this section.**

63 **[4.] 8. Anyone convicted of violating this section shall be guilty of a class**
64 **B misdemeanor.**

65 **[5.] 9. This section shall not apply to any of the following transactions:**

66 **(1) Any transaction for which the total amount paid for all regulated**
67 **material purchased or sold does not exceed fifty dollars, unless the material is a**
68 **catalytic converter;**

69 **(2) Any transaction for which the seller, including a farm or farmer, has**
70 **an existing business relationship with the scrap metal dealer and is known to the**
71 **scrap metal dealer making the purchase to be an established business or political**
72 **subdivision that operates a business with a fixed location that can be reasonably**
73 **expected to generate regulated scrap metal and can be reasonably identified as**
74 **such a business; or**

75 **(3) Any transaction for which the type of metal subject to subsection 1 of**
76 **this section is a minor part of a larger item, except for equipment used in the**
77 **generation and transmission of electrical power or telecommunications.**

78 **10. Hours of retail operation for scrap metal dealers shall be no**
79 **earlier than 6:00 a.m. and no later than 7:00 p.m.**

80 **11. No scrap metal dealer shall purchase or otherwise receive**
81 **from a person under the age of eighteen any ferrous or nonferrous**
82 **metal other than aluminum cans.**

83 **12. A scrap metal dealer shall register with or subscribe to the**
84 **alert system established by the Institute of Scrap Recycling Industries,**

85 **Inc., referred to as the ISRI Scrap Theft Alert system or successor**
86 **system, and maintain that registration or subscription.**

407.302. 1. No scrap yard shall purchase any metal that can be identified
2 as belonging to a public or private cemetery, political subdivision,
3 telecommunications provider, cable provider, wireless service or other
4 communications-related provider, electrical cooperative, water utility, municipal
5 utility, or utility regulated under chapter 386 or 393, including bleachers,
6 guardrails, signs, street and traffic lights or signals, **certain cables used in**
7 **high voltage transmission lines, historical markers,** and manhole cover or
8 covers, whether broken or unbroken, from anyone other than the cemetery or
9 monument owner, political subdivision, telecommunications provider, cable
10 provider, wireless service or other communications-related provider, electrical
11 cooperative, water utility, municipal utility, utility regulated under chapter 386
12 or 393, or manufacturer of the metal or item described in this section unless such
13 person is authorized in writing by the cemetery or monument owner, political
14 subdivision, telecommunications provider, cable provider, wireless service or other
15 communications-related provider, electrical cooperative, water utility, municipal
16 utility, utility regulated under chapter 386 or 393, or manufacturer to sell the
17 metal.

18 **2. No person shall knowingly sell or attempt to sell to a scrap**
19 **metal dealer and no scrap metal dealer shall knowingly and willfully**
20 **purchase the following:**

21 **(1) New materials, such as those used in construction, or**
22 **equipment or tools used by contractors, unless accompanied by proof**
23 **of ownership or authorization to sell the materials on behalf of the**
24 **owner;**

25 **(2) HVAC components unless accompanied by written**
26 **authorization from the business or property owner evidencing the**
27 **seller has the legal right to sell the material;**

28 **(3) Catalytic converters unless purchased from a vehicle repair**
29 **business.**

30 **3. Anyone convicted of violating this section shall be guilty of a class B**
31 **misdemeanor.**