

HCS HBs 1948, 2066, 1721 & 2276 -- COMMERCIAL ACTIVITY

SPONSOR: Diehl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Emerging Issues by a vote of 14 to 0.

The following is a summary of the House Committee Substitute for HB 1948.

This bill modifies the requirements of notice for sale by an operator of a self-service storage facility for the sale of personal property of an occupant in default. In addition to advertising in the classified section of a newspaper prior to sale, the operator may also and instead advertise in any other commercially reasonable manner. The advertisement is commercially reasonable if at least three independent bidders attend the sale.

The bill requires a salvage license from the Department of Revenue pursuant to Sections 301.217 through 301.229, RSMo, to engage in the buying or selling of catalytic converters.

The bill requires scrap metal dealers and others regulated under Section 407.300 to require proof that the seller of a detached catalytic converter is a bona fide automobile repair shop or an affidavit that the converter was lawfully acquired. The make, model, year, and vehicle identification number of the vehicle from which the converter originated will be required and maintained for four years. Records will be submitted at least monthly to the Department of Revenue on a form provided by the Department in either a paper or electronic format as specified in the bill.

Currently, anyone who knowingly purchases a stolen catalytic converter in violation of this section shall be subject to penalties as provided in the section. This bill removes the requirement that the purchaser knows the catalytic converter is stolen and provides anyone convicted of violating this section is guilty of a class E felony in addition to being subject to having any business license under Section 301.218 revoked.

The bill clarifies that minor parts of heating and cooling equipment and equipment used in the generation and transmission of electrical power or telecommunications, including any catalytic converter of such equipment, remains subject to the provisions of Section 407.300.

The bill adds that a person commits the offense of stealing under Section 570.030 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 under Section 570.031. 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.

This bill is similar to HB 1120 (2023) and HS HCS HBs 532 & 751 (2023).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPOSERS:** Supporters say that requiring sales to be listed in the newspaper is outdated. More people today are getting their information through online formats rather than through a physical newspaper. Storage units have been sitting without going forward with a sale because potential bidders are missing sale postings in the newspaper. Posting on the internet would be good for both the tenant and the business operator of the storage facility. Sales would be posted in a modern format that more potential bidders have access to. Posting of sales in the newspaper is superfluous. Sellers have been getting around newspaper ads by posting links to internet websites for sales. Proponents also mentioned that cutting out newspaper ads would help reduce costs for advertising for storage facilities. Reduced newspaper costs would allow for more revenue to help facilitate tenant sales.

Testifying in person for the bill were Representative Diehl; Garrett Harrington, StorageMart; Alex Erbs, Missouri Self Storage Owners Association; and Shelly Harris, Missouri Self Storage Owners Association.

**OPPOSERS:** Those who oppose the bill say that newspaper ads alert people to a sale in ways that the internet cannot. There are large swaths of people that don't have access to the internet that rely

on the newspaper to get information like these sales ads. This is especially true in rural areas where internet access can be sporadic. Internet is not guaranteed in rural areas in the way that it is in metropolitan areas. Newspapers help to fill the gap left by this lack of internet access. Opponents further stated that potential bidders don't typically know to search for a sale on the internet because listings are not placed on a specific site. Newspapers don't require any sort of search engine to find sale information and therefore can be considered more accessible than the internet for this purpose. Keeping these ads in the newspaper is important for archival purposes. You can go back through decades of microfilm to find past sale listings within newspapers. The internet does not have listings that were posted prior to the internet. It's important to ensure that information, such as these sales listings, are retained for future access.

Testifying in person against the bill were Dennis Warden and the Missouri Press 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.