



# NEWS RELEASE

For Immediate Release

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## **STATEMENT FROM REP. CLIF RICHARDSON RE: ACT 389**

"It has come to my attention that incorrect information is circulating concerning Act 389 of the 2011 Regular Session. This law was passed to curtail the theft and then sale of copper and other metals and materials.

"I am writing the following, to correct the erroneous information and explain what this Act really does.

"Before the passage of Act 389, there were separate laws dealing with secondhand dealers (R.S. 37:1861-1870); junk dealers (R.S. 51:571-578); and the purchase of certain metals, including copper and copper wire (R.S. 51:579). Act 389 combined all of these provisions into the secondhand dealers' law. The other laws, R.S. 51:571-578 and R.S. 51:579) were repealed.

Under Act 389 a person, **other than a nonprofit entity**, who buys, sells, trades in, or otherwise acquires or disposes of junk or used or secondhand property more than once a month, is deemed to be a secondhand dealer. All payments for the purchase of used property by a secondhand dealer are to be by check, money order, or electronic transfer to the seller of the used property and are to be reported separately in the required daily reports. Secondhand dealers are required to obtain a signed statement from the seller of the junk or used or secondhand property stating that it has been paid for or is owned by

**(more)**

## **add one - Act 389**

the seller. This **is new to the secondhand dealers' law** but **was an existing requirement for junk dealers before the passage of Act 389**. A secondhand dealer, under Act 389, who obtains the required statement is exonerated from any fraudulent, willful, or criminal knowledge. **Act 389 does not effect the purchase of goods by a consumer from any business.**

"Further, the record-keeping requirement in the new law is similar to the prior requirement.

"Most importantly, **no existing exemption in the law was affected by the passage of Act 389**. As a matter of fact, a new exemption was added for certain waste collectors, transporters, or disposers.

**Under Act 389, (R.S.37:1861 (B), the following are exempt from the secondhand dealer law:**

- (1) Dealers in coins and currency, dealers in antiques, gun and knife shows or other trade and hobby shows.
- (2) Persons solely engaged in the business of buying, selling, trading in, or otherwise acquiring or disposing of motor vehicles and used parts of motor vehicles, or wreckers or dismantlers of motor vehicles
- (3) Private residential sales commonly known as "garage sales" or "yard sales" as long as such sales take place at a residential address
- (4) Any bona fide charity possessing a valid exemption under Section 501(c)(3) of the Internal Revenue Code.
- (5) Collectors, transporters, or disposers of waste whose waste collection, transportation, and disposal activities are regulated by the Department of Environmental Quality, or persons who collect, transport, or manage recyclable

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materials pursuant to a residential collection, recycling, or disposal contract with a municipality or political subdivision.

"Anyone who is interested in further background information, including testimony about this Act, may view a recording of the May 10, 2011, House Commerce Committee hearing at which it was debated. Archived recordings of this, and all legislative hearings, can be found at [http://house.louisiana.gov/H\\_Video/Hse\\_Video\\_OnDemand.htm](http://house.louisiana.gov/H_Video/Hse_Video_OnDemand.htm) "

"I hope this explanation of Act 389 will help correct the erroneous information that has spread. "

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