

E2SHB 1815 - S AMD 1389

By Senator Wilson, J.

ADOPTED AS AMENDED 03/04/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that rates of
4 catalytic converter theft have rapidly increased statewide and
5 nationwide, due in part to existing challenges with accurately
6 identifying stolen catalytic converters. The legislature further
7 finds that victims of catalytic converter theft often incur costs
8 that far exceed the monetary value of the catalytic converters
9 themselves. The legislature further finds that catalytic converter
10 theft is a multifaceted issue that requires collaborative effort
11 between law enforcement agencies, insurance companies, scrap metal
12 dealers, and other involved parties to identify comprehensive
13 solutions.

14 Therefore, the legislature intends to carefully examine the
15 catalytic converter theft issues in Washington state and conduct a
16 study to make a variety of recommendations to the legislature,
17 including recommendations for a potential pilot program, to reduce
18 the occurrence of catalytic converter theft. The legislature further
19 intends to provide funding for a grant program focused on metal theft
20 and unlawfully obtained metal.

21 NEW SECTION. **Sec. 2.** (1) The Washington State University shall
22 convene a catalytic converter theft work group to study and provide
23 options and recommendations related to reducing catalytic converter
24 theft in Washington state.

25 (2) The work group shall consist of, but is not limited to,
26 members representing the following:

27 (a) One member representing the Washington state patrol;

28 (b) One member representing the Washington association of
29 sheriffs and police chiefs;

30 (c) One member representing the Washington association of
31 prosecuting attorneys;

- 1 (d) One member representing the office of public defense;
- 2 (e) One member representing the superior court judges'
- 3 association;
- 4 (f) One member representing the district and municipal court
- 5 judges' association;
- 6 (g) One member representing the association of Washington cities;
- 7 (h) One member representing the office of the attorney general;
- 8 (i) One member representing the property and casualty insurance
- 9 industry;
- 10 (j) One member representing the scrap metal recycling industry;
- 11 (k) One member representing the auto dealer industry;
- 12 (l) One member representing the auto manufacturer industry;
- 13 (m) One member representing the catalytic converter manufacturer
- 14 industry;
- 15 (n) One member representing the towing and recovery association
- 16 of Washington;
- 17 (o) One member representing the Washington state independent auto
- 18 dealers association;
- 19 (p) One member representing the Washington independent business
- 20 association;
- 21 (q) One member representing the Washington organized retail crime
- 22 association; and
- 23 (r) Two members representing individuals with lived experience
- 24 being charged with, or convicted of, organized theft.
- 25 (3) The work group's study shall include, but is not limited to,
- 26 the following:
- 27 (a) A review of state laws related to catalytic converter theft;
- 28 (b) A review of national efforts to address catalytic converter
- 29 theft to determine whether there are best practices from other
- 30 jurisdictions on how to effectively deter and end catalytic converter
- 31 theft;
- 32 (c) Data collection and analysis of catalytic converter theft
- 33 incidents across the state;
- 34 (d) Options to deter and end catalytic converter theft, including
- 35 marking of catalytic converters;
- 36 (e) Options and opportunities to reduce costs to victims of
- 37 catalytic converter theft; and
- 38 (f) A review of the effectiveness of the grant and training
- 39 program created under RCW 36.28A.240.

1 (4) The work group's recommendations shall include, but are not
2 limited to, the following:

3 (a) Changes to state law to reduce catalytic converter theft;

4 (b) A potential pilot program that could be implemented to
5 decrease catalytic converter theft, including by prioritizing
6 communities with the highest incidence of catalytic converter theft
7 or communities experiencing the most financial impact due to
8 catalytic converter theft; and

9 (c) Cost estimates for the pilot program and recommendations on
10 evaluation criteria and metrics to determine the efficacy and
11 benefits of the pilot program.

12 (5) The work group shall provide a preliminary report and
13 recommendations to the transportation and public safety committees of
14 the legislature by November 1, 2022. The work group shall provide a
15 final report and recommendations, including recommendations on a
16 potential pilot program, to the transportation and public safety
17 committees of the legislature by January 1, 2023.

18 **Sec. 3.** RCW 19.290.020 and 2013 c 322 s 5 are each amended to
19 read as follows:

20 (1) At the time of a transaction, every scrap metal business
21 doing business in this state shall produce wherever that business is
22 conducted an accurate and legible record of each transaction
23 involving private metal property or nonferrous metal property. This
24 record must be written in the English language, documented on a
25 standardized form or in electronic form, and contain the following
26 information:

27 (a) The signature of the person with whom the transaction is
28 made;

29 (b) The time, date, location, and value of the transaction;

30 (c) The name of the employee representing the scrap metal
31 business in the transaction;

32 (d) The name, street address, and telephone number of the person
33 with whom the transaction is made;

34 (e) The license plate number and state of issuance of the license
35 plate on the motor vehicle used to deliver the private metal property
36 or nonferrous metal property subject to the transaction;

37 (f) A description of the motor vehicle used to deliver the
38 private metal property or nonferrous metal property subject to the
39 transaction;

1 (g) The current driver's license number or other government-
2 issued picture identification card number of the seller or a copy of
3 the seller's government-issued picture identification card; (~~and~~)

4 (h) A description of the predominant types of private metal
5 property or nonferrous metal property subject to the transaction,
6 utilizing the institute of scrap recycling industries' generally
7 accepted terminology, and including weight, quantity, or volume; and

8 (i) For every transaction specifically involving a catalytic
9 converter that has been removed from a vehicle, documentation
10 indicating that the private metal property in the seller's possession
11 is the result of the seller replacing private metal property from a
12 vehicle registered in the seller's name.

13 (2) For every transaction that involves private metal property or
14 nonferrous metal property, every scrap metal business doing business
15 in the state shall require the person with whom a transaction is
16 being made to sign a declaration. The declaration may be included as
17 part of the transactional record required under subsection (1) of
18 this section, or on a receipt for the transaction. The declaration
19 must state substantially the following:

20 "I, the undersigned, affirm under penalty of law that the
21 property that is subject to this transaction is not to the best of my
22 knowledge stolen property."

23 The declaration must be signed and dated by the person with whom
24 the transaction is being made. An employee of the scrap metal
25 business must witness the signing and dating of the declaration and
26 sign the declaration accordingly before any transaction may be
27 consummated.

28 (3) The record and declaration required under this section must
29 be open to the inspection of any commissioned law enforcement officer
30 of the state or any of its political subdivisions at all times during
31 the ordinary hours of business, or at reasonable times if ordinary
32 hours of business are not kept, and must be maintained wherever that
33 business is conducted for five years following the date of the
34 transaction.

35 **Sec. 4.** RCW 19.290.030 and 2013 c 322 s 6 are each amended to
36 read as follows:

37 (1) No scrap metal business may enter into a transaction to
38 purchase or receive private metal property or nonferrous metal
39 property from any person who cannot produce at least one piece of

1 current government-issued picture identification, including a valid
2 driver's license or identification card issued by any state.

3 (2) No scrap metal business may purchase or receive private metal
4 property or commercial metal property unless the seller: (a) Has a
5 commercial account with the scrap metal business; (b) can prove
6 ownership of the property by producing written documentation that the
7 seller is the owner of the property; or (c) can produce written
8 documentation that the seller is an employee or agent authorized to
9 sell the property on behalf of a commercial enterprise.

10 (3) No scrap metal business may enter into a transaction to
11 purchase or receive metallic wire that was burned in whole or in part
12 to remove insulation unless the seller can produce written proof to
13 the scrap metal business that the wire was lawfully burned.

14 (4)(a) No transaction involving private metal property or
15 nonferrous metal property may be made in cash or with any person who
16 does not provide a street address and photographic identification
17 under the requirements of RCW 19.290.020(1) (d) and (g) except as
18 described in (b) and (c) of this subsection. The person with whom the
19 transaction is being made may only be paid by a nontransferable
20 check, mailed by the scrap metal business to a street address
21 provided under RCW 19.290.020, no earlier than three days after the
22 transaction was made. A transaction occurs on the date provided in
23 the record required under RCW 19.290.020.

24 (b) A scrap metal business that is in compliance with this
25 chapter (~~that~~) may pay up to a maximum of \$30 in cash, stored value
26 device, or electronic funds transfer for nonferrous metal property.
27 The balance of the value of the transaction may be made by
28 nontransferable check, stored value device, or electronic funds
29 transfer at the time the transaction is made if the scrap metal
30 business digitally captures:

31 (i) A copy of one piece of current government-issued picture
32 identification, including a current driver's license or
33 identification card issued by any state; and

34 (ii) (~~either~~) Either a picture or video of either the material
35 subject to the transaction in the form received or the material
36 subject to the transaction within the vehicle which the material was
37 transported to the scrap metal business (~~(, may pay up to a maximum of~~
38 ~~thirty dollars in cash, stored value device, or electronic funds~~
39 ~~transfer. The balance of the value of the transaction may be made by~~
40 ~~nontransferable check, stored value device, or electronic funds~~

1 transfer at the time the transaction is made. A scrap metal
2 business's usage of video surveillance shall be sufficient to comply
3 with this subsection (4)(b)(ii) as long as the video captures the
4 material subject to the transaction. A digital image or picture taken
5 under this subsection must be available for two years from the date
6 of transaction, while a video recording must be available for thirty
7 days)).

8 (c) Payment to individual sellers of private metal property as
9 defined in this chapter may not be made at the time of the
10 transaction and shall not be paid earlier than three business days
11 after the transaction was made. Records of payment for private metal
12 property as defined in this chapter must be kept in the same file or
13 record as all records collected under this subsection and retained
14 and be available for review for two years from the date of the
15 transaction.

16 (5)(a) A scrap metal business's usage of video surveillance shall
17 be sufficient to comply with subsection (4)(b)(ii) of this section so
18 long as the video captures the material subject to the transaction.

19 (b) A digital image or picture taken under this section must be
20 available for two years from the date of transaction, while a video
21 recording must be available for 30 days.

22 (6) No scrap metal business may purchase or receive beer kegs
23 from anyone except a manufacturer of beer kegs or licensed brewery.

24 **Sec. 5.** RCW 19.290.070 and 2013 c 322 s 10 are each amended to
25 read as follows:

26 (1) It is a gross misdemeanor under chapter 9A.20 RCW for:

27 ~~((1))~~ (a) Any person to deliberately remove, alter, or
28 obliterate any manufacturer's make, model, or serial number, personal
29 identification number, or identifying marks engraved or etched upon
30 an item of private metal property, nonferrous metal property, or
31 commercial metal property in order to deceive a scrap metal business;

32 ~~((2))~~ (b) Any scrap metal business to enter into a transaction
33 to purchase or receive any private metal property, nonferrous metal
34 property, or commercial metal property where the manufacturer's make,
35 model, or serial number, personal identification number, or
36 identifying marks engraved or etched upon the property have been
37 deliberately and conspicuously removed, altered, or obliterated;

1 ((+3)) (c) Any person to knowingly make, cause, or allow to be
2 made any false entry or misstatement of any material matter in any
3 book, record, or writing required to be kept under this chapter;

4 ((+4)) (d) Any scrap metal business to enter into a transaction
5 to purchase or receive private metal property, nonferrous metal
6 property, or commercial metal property from any person under the age
7 of ((eighteen)) 18 years or any person who is discernibly under the
8 influence of intoxicating liquor or drugs;

9 ((+5)) (e) Any scrap metal business to enter into a transaction
10 to purchase or receive private metal property, nonferrous metal
11 property, or commercial metal property with anyone whom the scrap
12 metal business has been informed by a law enforcement agency to have
13 been convicted of a crime involving drugs, burglary, robbery, theft,
14 or possession of or receiving stolen property, manufacturing,
15 delivering, or possessing with intent to deliver methamphetamine, or
16 possession of ephedrine or any of its salts or isomers or salts of
17 isomers, pseudoephedrine or any of its salts or isomers or salts of
18 isomers, or anhydrous ammonia with intent to manufacture
19 methamphetamine within the past four years whether the person is
20 acting in his or her own behalf or as the agent of another;

21 ((+6)) (f) Any person to sign the declaration required under RCW
22 19.290.020 knowing that the private metal property or nonferrous
23 metal property subject to the transaction is stolen. The signature of
24 a person on the declaration required under RCW 19.290.020 constitutes
25 evidence of intent to defraud a scrap metal business if that person
26 is found to have known that the private metal property or nonferrous
27 metal property subject to the transaction was stolen;

28 ((+7)) (g) Any scrap metal business to possess private metal
29 property or commercial metal property that was not lawfully purchased
30 or received under the requirements of this chapter;

31 ((+8)) (h) Any scrap metal business to engage in a series of
32 transactions valued at less than ((thirty dollars)) \$30 with the same
33 seller for the purposes of avoiding the requirements of RCW
34 19.290.030(4); or

35 ((+9)) (i) Any person to knowingly make a false or fictitious
36 oral or written statement or to furnish or exhibit any false,
37 fictitious, or misrepresented identification, with the intent to
38 deceive a scrap metal business as to the actual seller of the scrap
39 metal.

1 (2) Notwithstanding any fines imposed as part of the sentence
2 under this section, each offense is punishable by a \$1,000 fine per
3 catalytic converter, 10 percent of which shall be directed to the no-
4 buy list database program in RCW 43.43.885, and the remainder shall
5 be directed to the Washington association of sheriffs and police
6 chiefs solely for grants issued under RCW 36.28A.240.

7 (3)(a) Facilitating the offer of used catalytic converters for
8 sale without first verifying proof of ownership of the catalytic
9 converter, or failing to retain verified records of ownership of used
10 catalytic converters offered for sale for at least two years, is an
11 unfair or deceptive act or practice or unfair method of competition
12 in the conduct of trade or commerce for purposes of the consumer
13 protection act, chapter 19.86 RCW.

14 (b) All damages awarded to the state of Washington under chapter
15 19.86 RCW shall be distributed as follows:

16 (i) Ninety percent to the grant and training program in RCW
17 36.28A.240; and

18 (ii) Ten percent to the no-buy list database program in RCW
19 43.43.885.

20 NEW SECTION. Sec. 6. A new section is added to chapter 46.80
21 RCW to read as follows:

22 Payment to individual sellers of private metal property as
23 defined in RCW 19.290.010 may not be made at the time of the
24 transaction and shall not be paid earlier than three business days
25 after the transaction was made.

26 **Sec. 7.** RCW 46.80.080 and 1999 c 278 s 2 are each amended to
27 read as follows:

28 (1) Every vehicle wrecker shall maintain books or files in which
29 the wrecker shall keep a record and a description of:

30 (a) Every vehicle wrecked, dismantled, disassembled, or
31 substantially altered by the wrecker; and

32 (b) Every major component part, including catalytic converters,
33 acquired by the wrecker; together with a bill of sale signed by a
34 seller whose identity has been verified and the name and address of
35 the person, firm, or corporation from whom the wrecker purchased the
36 vehicle or part. Major component parts other than cores shall be
37 further identified by the vehicle identification number of the
38 vehicle from which the part came.

1 (2) The record shall also contain the following data regarding
2 the wrecked or acquired vehicle or vehicle that is the source of a
3 major component part, including catalytic converters, other than a
4 core:

5 (a) The certificate of title number (if previously titled in this
6 or any other state);

7 (b) Name of state where last registered;

8 (c) Number of the last license number plate issued;

9 (d) Name of vehicle;

10 (e) Motor or identification number and serial number of the
11 vehicle;

12 (f) Date purchased;

13 (g) Disposition of the motor and chassis;

14 (h) Yard number assigned by the licensee to the vehicle or major
15 component part, which shall also appear on the identified vehicle or
16 part; and

17 (i) Such other information as the department may require.

18 (3) The records shall also contain a bill of sale signed by the
19 seller for other minor component parts, including catalytic
20 converters, acquired by the licensee, identifying the seller by name,
21 address, and date of sale.

22 (4) The records shall be maintained by the licensee at his or her
23 established place of business for a period of three years from the
24 date of acquisition.

25 (5) The record is subject to inspection at all times during
26 regular business hours by members of the police department, sheriff's
27 office, members of the Washington state patrol, or officers or
28 employees of the department.

29 (6) A vehicle wrecker shall also maintain a similar record of all
30 disabled vehicles that have been towed or transported to the vehicle
31 wrecker's place of business or to other places designated by the
32 owner of the vehicle or his or her representative. This record shall
33 specify the name and description of the vehicle, name of owner,
34 number of license plate, condition of the vehicle and place to which
35 it was towed or transported.

36 (7) Failure to comply with this section is a gross misdemeanor.

37 **Sec. 8.** RCW 36.28A.240 and 2013 c 322 s 24 are each amended to
38 read as follows:

1 (1) (~~When funded~~) To the extent funds are appropriated, the
2 Washington association of sheriffs and police chiefs shall
3 (establish) develop a comprehensive state law enforcement strategy
4 targeting metal theft in consultation with the criminal justice
5 training commission, including:

6 (a) Development of best practices for targeting illegal
7 purchasers and sellers involved in metal theft, with specific
8 enforcement focus on catalytic converter theft;

9 (b) Strategies for development and maintenance of relationships
10 between local law enforcement agencies and licensed scrap metal
11 recyclers, including recommendations for scheduled or regular
12 interactions, with a focus on deterring unlawful purchases and
13 identifying individuals suspected of involvement in unlawful metal
14 theft and individuals who attempt to conduct a transaction while
15 under the influence of controlled substances; and

16 (c) Establishment of a grant and training program to assist local
17 law enforcement agencies in the support of special enforcement
18 (emphasis) targeting metal theft. Grant applications shall be
19 reviewed (and awarded through peer review panels) by the Washington
20 association of sheriffs and police chiefs in consultation with other
21 appropriate entities, such as those involved in enforcement against
22 metal theft. Grant applicants with a demonstrated increase in metal
23 theft over the previous 24 months are encouraged to (utilize
24 multijurisdictional efforts) focus solely on metal theft and
25 unlawful purchasing and selling of unlawfully obtained metal in their
26 jurisdiction, but may coordinate with other jurisdictions.

27 (2) Each grant applicant shall:

28 (a) Show a significant metal theft problem in the jurisdiction or
29 jurisdictions receiving the grant;

30 (b) (~~Verify that grant awards are sufficient to cover increased~~
31 ~~investigation, prosecution, and jail costs;~~

32 (~~e-Design~~) Propose an enforcement program that best suits the
33 specific metal theft problem in the jurisdiction (or jurisdictions
34 receiving the grant), including the number of enforcement stings to
35 be conducted under the program;

36 (~~d~~) (c) Demonstrate community coordination focusing on
37 prevention, intervention, and suppression; and

38 (~~e~~) (d) Collect data on performance, including the number of
39 enforcement stings to be conducted.

1 (3) ~~((The cost of administering the grants shall not exceed sixty~~
2 ~~thousand dollars, or three percent of appropriated funding, whichever~~
3 ~~is greater.~~

4 ~~(4))~~) Grant awards may not be used to supplant preexisting
5 funding sources for special enforcement targeting metal theft.

6 **Sec. 9.** RCW 43.43.885 and 2013 c 322 s 31 are each amended to
7 read as follows:

8 (1) Beginning on July 1, 2014, ~~((when funded))~~ to the extent
9 funds are appropriated, the Washington association of sheriffs and
10 police chiefs shall implement and operate an ongoing electronic
11 statewide no-buy list database program.

12 (2) The database must be made available on a secured network or
13 website.

14 (3) The no-buy list database program shall allow for any scrap
15 metal business to enter a customer's name and date of birth into the
16 database. The database must determine if the customer pursuing the
17 transaction with the scrap metal business has been convicted in
18 Washington of any crime involving burglary, robbery, theft, or
19 possession of or receiving stolen property within the past four
20 years.

21 (4) If the customer has been convicted of any crime involving
22 burglary, robbery, theft, or possession of or receiving stolen
23 property within the past four years despite whether the person was
24 acting in his or her own behalf or as the agent of another then, at a
25 minimum, the no-buy list database program must immediately send an
26 alert to the scrap metal business stating: (a) That the customer is
27 listed on a current no-buy list, (b) the four-year expiration period
28 for the customer's most recent crime listed, and (c) a notification
29 that entering into a transaction with the customer is prohibited
30 under RCW 19.290.070 (as recodified by this act).

31 (5) The database shall also include individuals who have
32 attempted to purchase or sell unlawfully obtained metals at licensed
33 scrap metal recyclers and individuals who attempt to conduct a
34 transaction while under the influence of controlled substances.

35 (6) Local jurisdictions applying for grants under RCW 36.28A.240
36 must provide updates to the no-buy list database annually and 120
37 days after a grant is distributed.

1 NEW SECTION. **Sec. 10.** RCW 19.290.070 is recodified as a section
2 in chapter 9A.56 RCW.

3 NEW SECTION. **Sec. 11.** Section 4 of this act is necessary for
4 the immediate preservation of the public peace, health, or safety, or
5 support of the state government and its existing public institutions,
6 and takes effect May 1, 2022.

7 NEW SECTION. **Sec. 12.** Except for section 4 of this act, this
8 act is necessary for the immediate preservation of the public peace,
9 health, or safety, or support of the state government and its
10 existing public institutions, and takes effect immediately."

E2SHB 1815 - S AMD **1389**
By Senator Wilson, J.

ADOPTED AS AMENDED 03/04/2022

11 On page 1, line 1 of the title, after "theft;" strike the
12 remainder of the title and insert "amending RCW 19.290.020,
13 19.290.030, 19.290.070, 46.80.080, 36.28A.240, and 43.43.885; adding
14 a new section to chapter 46.80 RCW; adding a new section to chapter
15 9A.56 RCW; creating new sections; recodifying RCW 19.290.070;
16 prescribing penalties; providing an effective date; and declaring an
17 emergency."

EFFECT: (1) Recodifies RCW 19.290.070 as a new section in chapter 9A.56 RCW and imposes an additional fine of \$1,000 per catalytic converter.

(2) Limits cash payments for nonferrous metal property to not more than \$30 while allowing the balance to be paid by way of nontransferable check, stored value device, or electronic funds transfer at the time of the transaction.

(3) Requires a 3-day waiting period for individual sellers of catalytic converters and requires proper recordkeeping.

(4) Amends the electronic statewide no-buy list database program, adding that the database must include individuals who attempt to purchase or sell unlawfully obtained metals at licensed scrap metal recyclers and individuals who attempt to conduct a transaction while under the influence.

(5) Requires the Washington Association of Sheriffs and Police Chiefs to develop a comprehensive state law enforcement strategy targeting metal theft.

(6) Provides that vehicle wrecker's recordkeeping requirements apply to catalytic converters.

(7) Prohibits vehicle wreckers from paying for catalytic converters at the time of transaction, and requires vehicle wreckers to wait three days to make payment on such transactions.

(8) Creates a Consumer Protection Act violation for facilitating the offer of used catalytic converters for sale without first verifying proof of ownership of the catalytic converter or failing to retain verified records of ownership of used catalytic converters or failing to retain verified records of ownership of used catalytic converters offered for sale for at least two years.

(9) Requires the work group to review the effectiveness of the grant and training program created under RCW 36.28A.240.

(10) Requires the work group to be convened by Washington State University.

(11) Provides that video surveillance is sufficient to comply with the requirement of scrap metal businesses to digitally capture material subject to the transaction.

--- END ---