

SENATE BILL REPORT

SB 5495

As of January 20, 2022

Title: An act relating to catalytic converters.

Brief Description: Concerning catalytic converters.

Sponsors: Senators Wilson, J., Dozier, Fortunato, Gildon, Honeyford, Keiser, McCune, Mullet, Randall, Rolfes, Schoesler, Sheldon, Van De Wege, Wagoner, Warnick and Wilson, L..

Brief History:

Committee Activity: Law & Justice: 1/25/22.

Brief Summary of Bill

- Adds precious metals to the list of materials for which scrap metal businesses must maintain a record of each transaction.
- Prohibits scrap metal businesses from entering into a transaction regarding catalytic converters with anyone who is not a commercial enterprise or owner of the vehicle from which the catalytic converter was removed.
- Amends the regulations for scrap metal businesses payment of cash, and record keeping thereof.
- Creates a gross misdemeanor crime for scrap metal businesses to receive private metal property knowing that the private metal property subject to the transaction is stolen.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Joe McKittrick (786-7287)

Background: Scrap Metal Businesses. A scrap metal business is a scrap metal supplier,

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scrap metal recycling center, and scrap metal processor. At the time of a transaction, every scrap metal business doing business in the state must produce, wherever that business is conducted, an accurate and legible record of each transaction involving private metal property or nonferrous metal property. The record must include specified identification information of the seller and an affirmation that the private metal or nonferrous metal property is not stolen property.

Private metal property includes catalytic converters that have been removed from vehicles. Nonferrous metal property is metal property for which the value of the metal property is derived from the property's content of copper, brass, aluminum, bronze, lead, zinc, nickel, and their alloys. Nonferrous metal property does not include precious metals. Precious metals means gold, silver, and platinum.

Transaction Requirements. Scrap metal businesses may not enter into any transaction to purchase or receive private metal property or nonferrous metal property from any person who cannot produce at least one piece of current government-issued picture identification. No scrap metal business may purchase or receive private metal property unless the seller:

- has a commercial account with the scrap metal business;
- can prove ownership of the property by producing written documentation that the seller is the owner of the property; or
- can produce written documentation that the seller is an employee or agent authorized to sell the property on behalf of a commercial enterprise.

No transaction involving private metal property or nonferrous metal property may be made in cash with any person who does not provide their street address as provided by statute, unless the scrap metal business digitally captures a copy of one piece of current government-issued picture identification and either a picture or video of either the material subject to the transaction in the form received, or the material subject to the transaction within the vehicle which the material was transported to the scrap metal business. Such digital images or pictures must be available for two years from the date of the transaction, and video recordings must be available for 30 days.

Payment for such a transaction must be made through a nontransferable check, mailed by the scrap metal business to the provided street address no earlier than three days after the transaction was made.

It is a gross misdemeanor, punishable by up to 365 days in jail, a \$5,000 fine, or both, to:

- deliberately remove, alter, or obliterate any manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of private metal property, nonferrous metal property, or commercial metal property in order to deceive a scrap metal business;
- enter into a transaction to purchase or receive any private metal property, nonferrous metal property, or commercial metal property where the manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or

- etched upon the property have been deliberately and conspicuously removed, altered, or obliterated;
- knowingly make, cause, or allow to be made any false entry or misstatement of any material matter in any book, record, or writing required to be kept;
 - enter into a transaction to purchase or receive private metal property, nonferrous metal property, or commercial metal property with anyone whom the scrap metal business has been informed by a law enforcement agency to have been convicted of specific crimes;
 - sign a declaration knowing that the private metal property or nonferrous metal property subject to the transaction is stolen;
 - possess private metal property or commercial metal property that was not lawfully purchased or received;
 - engage in a series of transactions valued at less than \$30 with the same seller to avoid the recording requirements; or
 - knowingly make a false or fictitious oral or written statement or to furnish or exhibit any false, fictitious, or misrepresented identification, with the intent to deceive a scrap metal business as to the actual seller of scrap metal.

Individuals who violate scrap metal laws who are not subject to criminal penalties may be punished, upon conviction, by a fine of not more than \$1,000. If the individual violates the scrap metal statutes again within two years, each noncriminal violation is punishable, upon conviction, by a fine of not more than \$2,000.

Summary of Bill: Precious metals are added to the list of materials for which scrap metal businesses doing business in this state must produce an accurate and legible record of each transaction. Precious metals are likewise added to a list of materials which no scrap metal business may enter into a transaction to purchase or receive from any person who cannot produce at least one piece of current government-issued picture identification.

A scrap metal businesses may not enter into a transaction to purchase or receive private metal property from any person who is not a commercial enterprise or owner of the vehicle from which a catalytic converter was removed. At the time of the transaction, the owner of the vehicle from which the catalytic converter was removed must provide the year, make, model, and vehicle identification number for the vehicle.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.