

SB 803 B STAFF MEASURE SUMMARY**Carrier:** Rep. Bonham**House Committee On Business and Labor****Action Date:** 05/24/21**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 11-0-0-0**Yeas:** 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Jan Nordlund, LPRO Analyst**Meeting Dates:** 5/5, 5/24**WHAT THE MEASURE DOES:**

Prohibits scrap metal business from purchasing or receiving catalytic converters except from commercial seller or from owner of vehicle from which the catalytic converter was removed. Prohibits scrap metal business from paying for catalytic converters in a form other than electronic funds transfer, credit card, debit card, stored value card or device, or check (i.e., no cash or cryptocurrency) and specifies when payment can be made, depending on form of payment. Prohibits dismantler from acquiring catalytic converter that has been removed from a vehicle and offered for sale as an independent item. Establishes offense of unlawfully purchasing or receiving metal property if person: buys, sells, or receives catalytic converter without holding a license as required by state law or local ordinance; fails to create and maintain specified records for catalytic converters purchased or received; or purchases or receives catalytic converter other than from a fixed place of business. Modifies defense to charge of unlawfully transporting metal property. Provisions apply conduct occurring on or after the effective date. Requires scrap metal business to create a transaction record that includes specific description of catalytic converters included in the transaction, and to include VIN and copy of title or registration for vehicle from which a catalytic converter was removed. Expands content of records that must be created as part of a commercial account for all metal property transactions, with additional information when catalytic converters are part of the transaction. Requires record signatories to affirm under penalty of law that information provided and reflected on the record is true and accurate. Requires dismantler to maintain records regarding sale or disposal of a catalytic converter.

ISSUES DISCUSSED:

- Increased occurrence of catalytic converter thefts
- Costs incurred by theft victims
- Intent to reduce market for sale of stolen catalytic converters
- Similar restrictions and recordkeeping requirement for transactions involving sale of aluminum beer kegs

EFFECT OF AMENDMENT:

Clarifies who can raise defense to a charge of unlawfully transporting private metal property. Clarifies definition of fixed place of business. Clarifies which sellers are exempt from specified statutes.

BACKGROUND:

Catalytic converters have been installed in almost all gasoline vehicles sold in the United States since 1975. Catalytic converters have a honeycomb-like interior that is coated with precious metals like palladium, rhodium, and platinum to scrub toxic pollutants from the car's exhaust. The value of these metals fluctuates, but according to the *New York Times*, the price of palladium is between \$2,000 and \$2,500 an ounce and rhodium prices have recently reached a record of \$21,900 an ounce. Catalytic converters are generally located underneath passenger vehicles and can be removed quickly using common tools, making them a relatively easy target for theft.

SB 803 B STAFF MEASURE SUMMARY

Senate Bill 803 B prohibits a scrap metal business from purchasing or receiving catalytic converters except from a commercial seller or the owner of the vehicle from which the catalytic converter was removed. The measure also prohibits a dismantler from acquiring any catalytic converter that has been removed from a vehicle and offered for sale independent of the vehicle. The measure establishes additional recordkeeping requirements for transactions involving catalytic converters.