

S.F. No. 5 – Catalytic Converter Purchase Requirements and Penalties (2nd Engrossment)

Author: Senator John Marty

Prepared by: Chris Turner, Fiscal Analyst (651/296-4350)
Kenneth P. Backhus, Senate Counsel (651/296-4396)
Nolan Hudalla, Senate Counsel (651/296-7142)

Date: February 10, 2023

Overview

Catalytic converters are a portion of the exhaust system of motor vehicles. They filter out certain byproducts to reduce harmful emissions and improve a vehicle's efficiency. They contain various precious metals and have been the target of thefts by individuals who cut them from the bottom of the vehicle.

In 2013, the legislature established sections 168A.1501 and amended section 325E.21 which required scrap metal dealers to record certain information about individuals who sold scrap metal, including copper plumbing and catalytic converters. The law also required that the dealers maintain video surveillance and prohibited cash payments.

This bill adds additional requirements that scrap metal dealers must follow when purchasing catalytic converters, including a requirement that any catalytic converter be marked with an identifying number that connects it to the vehicle from which it was taken. The bill establishes criminal penalties for the unauthorized possession or purchase of a catalytic converter, provides for the summary forfeiture of illegal catalytic converters, and makes conforming changes.

Summary

Section 1 amends the definition of “scrap metal dealer” for purposes of the statute to expressly include scrap metal processors.

Section 2 makes a conforming change related to permitting only scrap metal dealers to purchase catalytic converters. Amends the information scrap metal dealers must record when purchasing or otherwise acquiring catalytic converters to include an identification number to connect the catalytic converter to the vehicle from which it was removed and the identity of the employee who purchases

or acquires the catalytic converter. Expands the reporting requirement to include reporting on motor vehicles. Authorizes the commissioner of public safety to conduct inspections and audits as necessary to ensure compliance with recording requirements.

Section 3 makes a conforming change adding to the records that must be retained by scrap metal dealers.

Section 4 provides that the names and addresses of scrap metal dealers registered under this subdivision are public data under chapter 13.

Section 5 requires scrap metal dealers engaged in the purchase or acquisition of used catalytic converters to ensure their employees are familiar with the additional requirements for catalytic converters.

Section 6 establishes criminal penalties for persons violating the prohibitions on possessing or purchasing catalytic converters. The penalties are based on the number of catalytic converters involved in the violation, and are as follow:

- Illegal possession, purchase or acquisition of one catalytic converter is a misdemeanor;
- two catalytic converters is a gross misdemeanor;
- three to ten catalytic converters is a five-year felony;
- 11 to 70 catalytic converters is a ten-year felony; and
- more than 70 catalytic converters is a 20-year felony.

Allows aggregation of the number of converters involved over any six-month period for charging purposes.

Section 7 prohibits a person who is not a registered scrap metal dealer from possessing a used and detached catalytic converter except under certain circumstances.

Section 8 prohibits a person who is not a registered scrap metal dealer from purchasing or acquiring a used catalytic converter except under certain circumstances.

Section 9 prohibits scrap metal dealers from purchasing or acquiring a used catalytic converter that is not attached to a motor vehicle unless the catalytic converter contains identifying markings that can be used to connect the catalytic converter to a vehicle. Permits businesses like automobile repair businesses to provide alternative information to establish that the catalytic converter was lawfully removed from a vehicle. Permits individuals to prove ownership with a law enforcement report. Requires scrap metal dealers to make certain information available to law enforcement and enter data into an electronic database. Prohibits removing a catalytic converter from the dealer's premises for seven days after acquisition of the catalytic converter and prohibits making payment for a catalytic converter for five days after acquisition.

Section 10 provides that the criminal penalties in the bill do not apply to catalytic converters marked as recovered contraband as provided in section 12.

Section 11 requires that information recorded under section 2 relating to motor vehicles be entered into the electronic database under section 9. Requires the commissioner of public safety to make this information available to law enforcement.

Section 12 provides for disposition of catalytic converters forfeited under section 13 and requires law enforcement to mark these converters (assuming they are not already marked as required under the bill) as recovered contraband (under section 10, converters so marked are not illegal to possess).

Section 13 establishes that a catalytic converter possessed in violation of this bill is contraband and must be summarily forfeited upon a conviction.