

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 99
Judiciary Committee Substitute Adopted 4/27/21

Short Title: Clarify Law on Theft of Catalytic Converters.

(Public)

Sponsors:

Referred to:

February 16, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT, UNLESS THE CONDUCT IS COVERED UNDER
3 ANOTHER PROVISION OF LAW PROVIDING GREATER PUNISHMENT, LARCENY
4 OF A CATALYTIC CONVERTER IS A CLASS I FELONY, TO REQUIRE SECONDARY
5 METALS RECYCLERS TO MAINTAIN AN ELECTRONIC RECORD OF CERTAIN
6 INFORMATION FROM TRANSACTIONS INVOLVING THE SALE OF CATALYTIC
7 CONVERTERS, TO INCLUDE A FINE AS PUNISHMENT FOR CERTAIN
8 VIOLATIONS INVOLVING THE PURCHASE OF CATALYTIC CONVERTERS, TO
9 PROVIDE THAT SECONDARY METALS RECYCLERS CAN ONLY PURCHASE
10 CATALYTIC CONVERTERS FROM CERTAIN PEOPLE AND ONLY SECONDARY
11 METALS RECYCLERS CAN PURCHASE USED CATALYTIC CONVERTERS, AND
12 TO MAKE CONFORMING CHANGES.

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** G.S. 14-72.8 reads as rewritten:

15 **"§ 14-72.8. Felony larceny of motor vehicle parts.**

16 (a) Offense; Punishment. – Unless the conduct is covered under some other provision of
17 law providing greater punishment, larceny of a motor vehicle part is a Class I felony if (i) the
18 cost of repairing the motor vehicle is one thousand dollars (\$1,000) or ~~more~~ more or (ii) the motor
19 vehicle part is a catalytic converter.

20 (b) Presumption. – A person in possession of a catalytic converter that has been removed
21 from a motor vehicle is presumed to have obtained the catalytic converter under circumstances
22 constituting a violation of subsection (a) of this section unless the person is any of the following:

23 (1) An employee or agent of a company, or an individual, acting in their official
24 duties for a motor vehicle dealer, motor vehicle repair shop, secondary metals
25 recycler, or salvage yard that is licensed, permitted, or registered pursuant to
26 State law.

27 (2) An individual who possesses vehicle registration documentation indicating
28 that the catalytic converter in the individual's possession is the result of a
29 replacement of a catalytic converter from a vehicle registered in that
30 individual's name.

31 (c) Determining Cost. – For purposes of this section, the cost of repairing a motor vehicle
32 means the cost of any replacement part and any additional costs necessary to install the
33 replacement part in the motor vehicle."

34 **SECTION 2.** G.S. 66-421(b) reads as rewritten:



"(b) Records Required. — A secondary metals recycler shall maintain ~~a~~an electronic record of all purchase transactions in which the secondary metals recycler purchases regulated metals property. The record of each transaction shall contain the following information:

- (1) The name and address of the secondary metals recycler.
- (2) The name, initials, or other identification of the individual entering the information.
- (3) The date of the transaction.
- (4) The weight of the regulated metals property purchased.
- (5) The description made in accordance with the custom of the trade of the type of regulated metals property purchased and the physical address where the regulated metals were obtained by the seller and the date when purchased, and a statement signed by the seller or the seller's agent certifying that the seller or the seller's agent has the lawful right to sell and dispose of the property.
- (6) The amount of consideration given for the regulated metals property.
- (7) The name and address of the vendor of the regulated metals property and the license plate number, make, model, and color of the vehicle used to deliver the regulated metals.
- (8) A photocopy or electronic scan of the unexpired drivers license or state or federally issued photo identification card of the person delivering the regulated metals property to the secondary metals recycler. If the secondary metals recycler has a copy of the valid photo identification of the person delivering the regulated metals property on file, the secondary metals recycler must examine the photo identification and verify that it has not expired, but may reference the photo identification that is on file without making a separate photocopy or electronic scan for each subsequent transaction. If the person delivering the regulated metals property does not have an unexpired drivers license or an unexpired state or federally issued photo identification card, the secondary metals recycler shall not complete the transaction.
- (9) A copy of the receipt required under subsection (a) of this section when all the information required under subsection (a) of this section is clear and legible or, in the event the copy of the receipt is not clear or not legible, the original receipt.
- (10) A video or digital photograph of the seller together with the regulated metals property being delivered by the seller. The video or photograph required by this section shall be of a quality that is sufficient to allow a person of ordinary faculties to identify the person recorded or photographed.
- (11) In transactions involving catalytic converters that are not attached to a vehicle, and central air conditioner evaporator coils or condensers, the person delivering the materials shall place next to that person's signature on the receipt required under subsection (a) of this section, a clear impression of that person's index finger that is in ink and free of any smearing. A secondary metals recycler may elect to obtain the fingerprint electronically. If the secondary metals recycler has a copy of the fingerprint of the person delivering the nonferrous metal on file, the secondary metals recycler must examine the photo identification, but may reference the fingerprint that is on file without making a separate fingerprint for each subsequent transaction. If a secondary metals recycler purchases a catalytic converter pursuant to G.S. 66-424(a)(3a), then the secondary metals recycler shall make and retain a copy of all documentation provided to and relied upon by the secondary metals recycler in determining the status of the seller of the catalytic converter."

1 **SECTION 3.** G.S. 66-429(a) reads as rewritten:

2 "(a) Punishment Generally. — Unless the conduct is covered by some other provision of
3 law providing greater punishment, any person knowingly and willfully violating any of the
4 provisions of this Part shall be guilty of a Class 1 misdemeanor for a first offense. A second or
5 subsequent violation of this Part is a Class I felony. In addition to any other punishment imposed
6 for a violation of this Part, any person knowingly and willfully violating any of the provisions of
7 this Part involving the purchase of a catalytic converter shall be punished by a fine of one
8 thousand dollars (\$1,000) for each violation."

9 **SECTION 4.** G.S. 66-424 reads as rewritten:

10 **"§ 66-424. Prohibited activities and transactions.**

11 (a) A secondary metals recycler shall not do any of the following:

- 12 (1) Operate any business that cashes checks at a fixed site at which the secondary
13 metals recycler purchases regulated metals property.
14 (2) Purchase nonferrous metals for the purpose of recycling the nonferrous
15 metals, unless the nonferrous metals purchaser possesses a valid permit.
16 (3) Purchase any central air conditioner evaporator coils or condensers, ~~or~~
17 ~~catalytic converters that are not attached to a vehicle,~~ except that a secondary
18 metals recycler may purchase these items from a company, contractor, or
19 individual that is in the business of installing, replacing, maintaining, or
20 removing these items.
21 (3a) Purchase any catalytic converters that are not attached to a vehicle, except that
22 a secondary metals recycler may purchase these items from a person listed in
23 G.S. 14-72.8(b).
24 (4) Purchase any regulated metals property that the secondary metals recycler
25 knows or reasonably should know to be stolen.

26 ...

27 (d) It shall be unlawful for any person that is not a secondary metals recycler to purchase
28 a used catalytic converter not attached to a vehicle.

29 (e) The provisions of this section do not apply to a used and detached catalytic converter
30 that has been tested, certified, and labeled, or otherwise approved for reuse, and being bought or
31 sold for purposes of reuse, in accordance with the federal Clean Air Act (42 U.S.C. § 7401 et
32 seq.) and regulations under the Clean Air Act, as they may, from time to time, be amended."

33 **SECTION 5.** G.S. 66-430 reads as rewritten:

34 **"§ 66-430. Restitution.**

35 The court may order a defendant to make restitution to the secondary metals recycler or
36 property owner, as appropriate, for any damage or loss caused by the defendant and arising out
37 of a violation of G.S. 14-71, G.S. 14-71.1, G.S. 14-72, G.S. 14-159.4, G.S. 66-424(a)(3),
38 G.S. 66-424(a)(3a), or G.S. 66-424(a)(4) committed by the defendant."

39 **SECTION 6.** Section 2 of this act becomes effective December 1, 2021, and applies
40 to purchases and transactions made on or after that date. The remainder of this act becomes
41 effective December 1, 2021, and applies to offenses committed on or after that date.