A BILL FOR AN ACT

CONCERNING CATALYTIC CONVERTERS, AND, IN CONNECTION THEREWITH, __ ENACTING MEASURES TO ADDRESS THE THEFT OF CATALYTIC CONVERTERS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Section 1 of the bill requires the air quality control commission in the department of public health and environment to promulgate rules establishing:

- Evaluation procedures for aftermarket catalytic converters; and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment. Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.
Procedures for the division of administration in the department of public health and environment (division) to use to certify aftermarket catalytic converters for installation and sale.

Section 2 states that on and after October 31, 2022, it is unlawful to install, sell, offer for sale, or advertise any used, recycled, or salvaged catalytic converter unless the catalytic converter is an aftermarket catalytic converter that has been certified for installation and sale by the division.

For the purposes of regulating purchases of commodity metals and the commodities metals theft task force, section 3 amends the definition of "commodity metal" to include rhodium, palladium, or platinum-clad components of a catalytic converter. For the purposes of the existing criminal statute prohibiting the operation of motor vehicle chop shops, section 4 adds catalytic converters to the definition of "major component motor vehicle part". Section 5 requires each auto parts recycler to consult the national motor vehicle title information system for each catalytic converter that the auto parts recycler acquires from the recycling of a motor vehicle in order to determine whether the catalytic converter is stolen.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 18-13-111, amend (1)(a), (1)(b) introductory portion, (1)(c), (1)(d), (1.3)(a) introductory portion, (1.3)(a)(I), (1.3)(a)(III), (1.3)(b), (1.5), (2), (4), (8) introductory portion, (8)(b.5), (8)(d), (9)(c), (10)(a)(I), (10)(a)(III), and (10)(b); amend as it exists until March 1, 2022, (5); and add (8)(b.3) as follows:

18-13-111. Purchases of commodity metals or catalytic converters - violations - commodity metals theft task force - creation - composition - reports - legislative declaration - definitions - repeal.

(1) (a) Except as otherwise provided in subsection (3) of this section, every owner, keeper, or proprietor of a junk shop, junk store, salvage yard, or junk cart or other vehicle and every collector of or dealer in junk, salvage, or other secondhand property shall keep a book or register detailing all transactions involving commodity metals OR CATALYTIC
CONVERTERS.

(b) The owner, keeper, proprietor, collector, or dealer shall record the identification of a seller of commodity metals OR CATALYTIC CONVERTERS in the book or register and the method by which the seller verified his or her THE SELLER'S identity. The seller shall verify his or her THE SELLER'S identity by one of the following:

(c) The owner, keeper, proprietor, collector, or dealer shall require the seller of a commodity metal OR CATALYTIC CONVERTER to provide for the book or register:

(I) A signed affidavit, sworn and affirmed under penalty of law, that the seller is the owner of the commodity metal OR CATALYTIC CONVERTER or is otherwise entitled to sell the commodity metal OR CATALYTIC CONVERTER. The owner, keeper, proprietor, collector, or dealer shall provide the affidavit form to the seller.

(II) The license plate number and description of the vehicle or conveyance, if any, in which the commodity metal OR CATALYTIC CONVERTER was delivered.

(d) The owner, keeper, proprietor, collector, or dealer shall include the following in the book or register:

(I) The date and place of each purchase of the commodity metal OR CATALYTIC CONVERTER; and

(II) The description and quantity of the commodity metal OR CATALYTIC CONVERTER purchased.

(1.3) (a) A purchaser of commodity metals OR CATALYTIC CONVERTERS shall:

(I) Sign up with the scrap theft alert system maintained by the Institute of Scrap Recycling Industries, Incorporated, or its successor
(b) A purchaser of commodity metals or catalytic converters shall maintain for ninety days copies of any theft alerts received and downloaded pursuant to paragraph (a) of this subsection (1.3) subsection (1.3)(a) of this section. A purchaser shall also maintain documentation that the purchaser educates employees about, and provides to employees, scrap theft alerts.

(1.5) (a) An owner, keeper, proprietor, collector, or dealer is permitted to pay a seller in cash for any commodity metal or catalytic converter transaction of three hundred dollars or less.

(b) If the transaction costs more than three hundred dollars, the owner, keeper, proprietor, collector, or dealer shall pay the seller of a commodity metal or catalytic converter by check unless the seller is paid by means of any process in which a picture of the seller is taken when the money is paid.

(2) Except as otherwise provided in subsection (3) of this section, the owner, keeper, proprietor, collector, or dealer of any commodity metal or catalytic converter shall make a digital photographic record, video record, or other record that identifies the seller and the commodity metal or catalytic converter that the seller is selling. The digital photographic record, video record, or other record format shall be retained for one hundred eighty days, and the owner shall permit a law enforcement officer to make inspections of the record.
(4) The information entered in the book or register, as provided in subsection (1) of this section, need not be kept for a period longer than three years after the date of purchase of the commodity metal OR CATALYTIC CONVERTER.

(5) A person who violates subsection (1) of this section by failing to keep a book or register, any person who knowingly gives false information with respect to the information required to be maintained in the book or register provided for in subsection (1) of this section, and any person who violates subsection (1.3), (1.5), or (2) of this section commits:

(a) A class 2 misdemeanor if the value of the commodity metal OR CATALYTIC CONVERTER involved is less than five hundred dollars; or

(b) A class 1 misdemeanor if the value of the commodity metal OR CATALYTIC CONVERTER involved is five hundred dollars or more.

(8) For the purposes of AS USED IN this section, unless the context otherwise requires:

(b.3) "CATALYTIC CONVERTER" MEANS A POST-COMBUSTION DEVICE THAT:

(I) OXIDIZES HYDROCARBONS AND CARBON MONOXIDE GASES OR REDUCES OXIDES OF NITROGEN; AND

(II) IS DESIGNED OR INTENDED FOR USE AS PART OF AN EMISSION CONTROL SYSTEM.

(b.5) "Commodity metal" means copper; a copper alloy, including such as bronze or brass; or aluminum. "Commodity metal" does not include precious metals, such as gold, silver, or platinum.

(d) "Dealer" means any person, business, or entity that buys, sells, or distributes, for the purpose of recycling, any commodity metal OR CATALYTIC CONVERTER on a wholesale basis.
(9) (c) The task force shall hold its first meeting no later than July 1, 2011. At the first meeting, the task force shall discuss the best way to distribute and use information related to theft of scrap metals, including whether and how to promote use by law enforcement agencies of the scrap theft alert system maintained by the Institute of Scrap Recycling Industries, Inc., or its successor organization. Thereafter, the task force shall meet on a regular basis, convening at least every October, to discuss issues related to theft of commodity metals or catalytic converters, including sharing relevant information on theft of scrap metal, identifying ways in which Colorado's laws regulating commodity metal and catalytic converter purchases can be improved to reduce theft, and reviewing any performance problems or communication issues. The task force is specifically directed to consider:

(I) Possible policies or practices to aid in tracking or apprehending stolen commodity metals or catalytic converters prior to the point of sale in order to assist law enforcement personnel in theft prevention and recovery of stolen materials;

(II) Recommendations regarding when and how a commodity metals metal or catalytic converter purchaser should be required to apprise local law enforcement authorities if a purchased commodity metal or catalytic converter is a potential match of a commodity metal or catalytic converter reported stolen in the scrap theft alert system; and

(III) The creation and attributes of a civil penalty process for egregious and repeat violators of the record-keeping requirements of this section.

(10) (a) The general assembly hereby finds, determines, and
declares that:

(I) Thefts of commodity metals AND CATALYTIC CONVERTERS jeopardize the safety and welfare of the public, financially burden taxpayers and industry, and exhaust law enforcement resources;

(III) The regulation of commodity metal OR CATALYTIC CONVERTER purchases is a matter of statewide concern.

(b) In order to continue the ability of the state to identify causes of commodity metal AND CATALYTIC CONVERTER theft and provide realistic solutions to the theft problem, the general assembly encourages law enforcement authorities in the state to join the scrap theft alert system maintained by the Institute of Scrap Recycling Industries, Incorporated, or its successor organization, and to report thefts of commodity metals AND CATALYTIC CONVERTERS occurring within their jurisdictions to this system. The general assembly also encourages commercial stakeholders affected by commodity metals METAL AND CATALYTIC CONVERTER theft to sign up for and participate in the scrap theft alert system.

SECTION 2. In Colorado Revised Statutes, 18-4-420, amend (5)(b)(XV) and (5)(b)(XVI); and add (5)(b)(XVII) as follows:

18-4-420. Chop shop activity - ownership or operation of a chop shop - altered or removed identification number - penalties - definitions. (5) As used in this section, unless the context otherwise requires:

(b) "Major component motor vehicle part" means any of the following parts of a motor vehicle:

(XV) A wheel or tire; or

(XVI) Any other part of a motor vehicle that is comparable in
design or function to any of the parts that have been listed, or that have been labeled with a unique traceable identification number, by the manufacturer of the motor vehicle or part. A CATALYTIC CONVERTER; OR (XVII) ANY OTHER PART OF A MOTOR VEHICLE THAT IS COMPARABLE IN DESIGN OR FUNCTION TO ANY OF THE PARTS THAT HAVE BEEN LISTED, OR THAT HAVE BEEN LABELED WITH A UNIQUE TRACEABLE IDENTIFICATION NUMBER, BY THE MANUFACTURER OF THE MOTOR VEHICLE OR PART.

SECTION 3. In Colorado Revised Statutes, add 42-4-2205 as follows:

42-4-2205. Catalytic converters - checks for stolen materials required. ANY PERSON THAT ACQUIRES FIVE OR MORE VEHICLES WITHIN ANY TWELVE-MONTH PERIOD FOR THE PURPOSE OF DISMANTLING, WRECKING, SHREDDING, COMPACTING, CRUSHING, OR OTHERWISE DESTROYING VEHICLES FOR RECLAIMABLE PARTS OR SCRAP METALS, INCLUDING CATALYTIC CONVERTERS, SHALL REPORT ALL SUCH VEHICLES TO THE NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM WITHIN FIVE DAYS AFTER ACQUIRING THE VEHICLES TO ENSURE THAT THE VEHICLES ARE NOT STOLEN.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.