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## National Council of Insurance Legislators (NCOIL)

### Catalytic Converter Theft Prevention Model Act

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*\*Draft as of June 20, 2023. To be introduced and discussed during the Property & Casualty Insurance Committee on July 22, 2023.*

*\*Rep. Tom Oliverson, M.D. (TX) – NCOIL Vice President; Rep. Edmond Jordan (LA) – Joint Sponsors*

#### Section 1. Title

This Act shall be known and cited as the [State] Catalytic Converter Theft Prevention Act.

#### Section 2. Definitions

(1) “Catalytic converter” means an exhaust emission control device that reduces toxic gas and pollutants from internal combustion engines.

(2) “Used catalytic converter” means a catalytic converter that has been detached from a motor vehicle as a single item and not as part of a scrapped motor vehicle, or any nonferrous part thereof; but does not include a catalytic converter that has been tested, certified, and labeled for reuse in accordance with the Clean Air Act, Chapter 85 of Title 42 of the United States Code, and all applicable regulations thereunder.

(3) “Covered Activity” means the die or pin stamping of the full vehicle identification number onto the outside of a catalytic converter in a conspicuous manner on motor vehicles in a typed font and covered by applying a coat of high-visibility, high-heat theft deterrence paint.

(4) “Department” means the Department of [XXXX].

(5) “[Law Enforcement] Department” means the Department of [XXXX].

(6) “Eligible Entity” means:

- i. State and local law enforcement agencies;
- ii. Licensed auto dealers;
- iii. Licensed auto repair shops and vehicle service centers; and
- iv. Nonprofit organizations established to

(a) assist federal, state, or local law enforcement agencies in the investigation or prosecution of vehicle-related crimes; or

(b) detect, prevent, and deter insurance crime and fraud.

(7) “Person” means any individual, or any corporation, limited liability company, partnership, association, or other group existing under or authorized by the laws of either [State] or the United States.

### **Section 3. Catalytic Converter Theft**

Any person who steals or knowingly and unlawfully takes, carries away, or conceals a catalytic converter from another person’s motor vehicle shall be guilty of a Class [X] felony and shall be sentenced to not more than [XX] years in prison or fined under this Section not more than [XX] dollars, or both.

### **Section 4. Aggravated Offenses**

(a) Any person convicted for an offense committed under Section 3 two or more times previously, upon any subsequent convictions, shall be guilty of a Class [X] felony and shall be sentenced to at least [XX] years in prison or fined under this Section not more than [XX] dollars. Any sentence imposed under this Section must run consecutive to any sentence imposed under Section 3.

(b) Any person convicted for an offense committed under Section 3 while armed shall be sentenced to at least [XX] years in prison or fined under this Section not more than [XX] dollars.

### **Section 5. Receipt of Stolen Catalytic Converters**

(a) Any person who buys, receives, possesses, or obtains control of a stolen catalytic converter, knowing or having reason to believe that the catalytic converter was stolen shall be guilty of a Class [X] felony and shall be sentenced to not more than [XX] years in prison or fined under this Section not more than [XX] dollars, or both.

(b) For the purposes of this Section, the term “stolen property” includes property that is not in fact stolen if the person who buys, receives, possesses, or obtains control of the property had reason to believe that the property was stolen.

#### **Section 4. Limitations on Sales of Used Catalytic Converter**

(a) It shall be unlawful for any person engaged in a transaction involving the sale, transfer, purchase, or acquisition of a used catalytic converter to violate subsections (b) through (f) of this Section. Any person who violates this Section shall be guilty of a Class [X] felony and shall be sentenced to not more than [XX] years in prison or fined under this Section not more than [XX] dollars, or both.

(b) Any person who sells or otherwise transfers to another for consideration a used catalytic converter shall be a registered [secondary metals recycler/core recycler/scrap metal dealer/junk yard]; licensed new or used motor vehicle dealer; licensed automotive repair service; motor vehicle manufacturer; licensed automotive dismantler and parts recycler; or licensed distributor of catalytic converters.

(c) Any person identified in subsection (b) of this Section must provide the purchaser or transferee with the following information:

1. a copy of the person's driver's license or nondriver identification card;
2. motor vehicle registration information from the motor vehicle from which the used catalytic converter was taken, including:
  - i. the make and model of the vehicle;
  - ii. the vehicle identification number of the vehicle; and
  - iii. the person's ownership interest in the vehicle;
3. any identifying information of the used catalytic converter, including a part number or other identification number; and
4. the name of the person who removed the catalytic converter or for whom the removal was completed.

(d) Any person described in subsection (b) of this Section must maintain the records described in subsection (c) of this Section for [xx] years.

(e) Any transaction involving the sale, transfer, purchase, or acquisition of a used catalytic converter shall not be by cash. Payment by check may be made payable only to a person described in subsection (b) of this Section.

(f) Any person described in subsection (b) of this Section shall not enter into a transaction described under this Section with any person younger than eighteen years of age.

(g) Any transaction under this Section shall not be between the hours of 9:00 p.m. and 6:00 a.m.

(h) Each used catalytic converter involved in any transaction under this Section shall constitute a separate violation of this Section.

(i) Any person involved in any transaction under this Section shall not provide false, fraudulent, altered, or counterfeit information or documentation as required under this Section. Each instance of false, fraudulent, altered, or counterfeit information or documentation shall constitute a separate violation of this Section.

(j) Any used catalytic converter possessed in violation of this section shall be considered contraband, and is subject to seizure and forfeiture as provided pursuant to [state law § xxx].

**Section 5. Recordkeeping Requirements for [Secondary Metals Recycler/Core Recycler/Scrap Metal Dealer/Junk Yard]**

(a) Any person registered as [a secondary metals recycler/core recycler/scrap metal dealer/junk yard] under [state law § xxx] involved in any transaction for the sale, transfer, purchase or acquisition of a used catalytic converter shall maintain a record of all such transactions for not less than [XX] years and be made available to any law enforcement officer or state official during usual and customary business hours.

(b) The records required in subsection 5(a) of this Section shall include the following information:

1. the records required under Section 4 of this Chapter;
2. the name and address of the [secondary metals recycler/core recycler/scrap metal dealer/junk yard secondary metals recycler];
3. the name or identification of the employee of the [secondary metals recycler/core recycler/scrap metal dealer/junk yard] executing the transaction;
4. the date and time of the transaction;
5. the weight, quantity, or volume and a description, to include any and all part or identification numbers, of all used catalytic converters involved in a transaction;
6. the amount of consideration in exchange for the transaction;
7. a signed statement from the seller in the transaction stating that he or she is the rightful owner or is authorized to sell the used catalytic converter being sold; and

8. a digital photograph or video recording of the person delivering the used catalytic converter or receiving consideration for the used catalytic converter delivered in which the person's facial features are clearly visible and a photograph or video recording of the used catalytic converter as delivered or sold is identifiable. The time and date shall be digitally recorded on the photograph or video recording.

(c) Any transaction for the sale, transfer, purchase or acquisition of a used catalytic converter must occur at a fixed business address of the [secondary metals recycler/core recycler/scrap metal dealer/junk yard], as registered with the Department of [XXXX], that is a party to the transaction.

(d) Before each transaction, the [secondary metals recycler/core recycler/scrap metal dealer/junk yard] recycler, including any agent, employee, or representative thereof, shall:

1. verify, by obtaining the applicable documentation, that the person selling or transferring the used catalytic converter acquired it legally and has the right to sell or transfer it;
2. retain a record of the applicable verification and other information required under this Section; and
3. note in the business records of the [secondary metals recycler/core recycler/scrap metal dealer/junk yard] any obvious markings on the used catalytic converter, such as paint, labels, or engravings, that would aid in the identification of the catalytic converter.

(e) Any person who violates this Section shall be guilty of a Class [X] felony and shall be sentenced to not more than [XX] years in prison or fined under this Section not more than [XX] dollars, or both.

## **Section 5. Vehicle Identification Number Stamping Grant Program**

(a) Not later than one year after the date of enactment of this Act, the [Law Enforcement] Department shall establish a program to provide grants to eligible entities to carry out covered activities, excluding wages, related to catalytic converters.

(b) To be eligible for a grant under this section, an eligible entity shall submit an application at such time, in such manner, and containing such information as the [Law Enforcement] Department may require.

(c) Any covered activity shall be carried out at no cost to the owner of the vehicle being stamped.

(d) In awarding grants under this section, the [Law Enforcement] Department shall prioritize eligible entities operating in the areas with the highest need for covered activities, including the areas with the highest rates of catalytic converter theft, as determined by the [Law Enforcement] Department.

(e) The [Law Enforcement] Department shall create a restricted account known as the “Vehicle Identification Number Stamping Grant Program Fund” which shall be funded by money received through enforcement actions pursuant to this Chapter; and shall be used to disburse grants to eligible entities.

**Section 5. Preemption**

This Act shall take precedence over any and all local ordinances governing catalytic converter transactions. If any municipal or county ordinance, rule or regulation conflicts with the provisions of this Act, the provisions of this act shall preempt the municipal or county ordinance, rule or regulation.

**Section 6. Enactment**

This Act shall take effect and be in force from and after [XXXX].