

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

SENATE BILL 99
RATIFIED BILL

AN ACT TO CLARIFY THAT, UNLESS THE CONDUCT IS COVERED UNDER ANOTHER PROVISION OF LAW PROVIDING GREATER PUNISHMENT, LARCENY OF A CATALYTIC CONVERTER IS A CLASS I FELONY, TO REQUIRE SECONDARY METALS RECYCLERS TO MAINTAIN AN ELECTRONIC RECORD OF CERTAIN INFORMATION FROM TRANSACTIONS INVOLVING THE SALE OF CATALYTIC CONVERTERS, TO INCLUDE A FINE AS PUNISHMENT FOR CERTAIN VIOLATIONS INVOLVING THE PURCHASE OF CATALYTIC CONVERTERS, TO PROVIDE THAT SECONDARY METALS RECYCLERS CAN ONLY PURCHASE CATALYTIC CONVERTERS FROM CERTAIN PEOPLE AND ONLY SECONDARY METALS RECYCLERS CAN PURCHASE USED CATALYTIC CONVERTERS, AND TO MAKE CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

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

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

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

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

- (1) An employee or agent of a company, or an individual, acting in their official duties for a motor vehicle dealer, motor vehicle repair shop, secondary metals recycler, or salvage yard that is licensed, permitted, or registered pursuant to State law.
- (2) An individual who possesses vehicle registration documentation indicating that the catalytic converter in the individual's possession is the result of a replacement of a catalytic converter from a vehicle registered in that individual's name.

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

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."

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

"(a) Punishment Generally. — Unless the conduct is covered by some other provision of law providing greater punishment, any person knowingly and willfully violating any of the provisions of this Part shall be guilty of a Class 1 misdemeanor for a first offense. A second or subsequent violation of this Part is a Class I felony. In addition to any other punishment imposed for a violation of this Part, any person knowingly and willfully violating any of the provisions of

this Part involving the purchase of a catalytic converter shall be punished by a fine of one thousand dollars (\$1,000) for each violation."

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

"§ 66-424. Prohibited activities and transactions.

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

...

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

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

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

"§ 66-430. Restitution.

The court may order a defendant to make restitution to the secondary metals recycler or property owner, as appropriate, for any damage or loss caused by the defendant and arising out 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), G.S. 66-424(a)(3a), or G.S. 66-424(a)(4) committed by the defendant."

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

In the General Assembly read three times and ratified this the 3rd day of September, 2021.

s/ Jim Perry
Presiding Officer of the Senate

s/ Harry Warren
Presiding Officer of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2021