

SB 803 A -A3 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 5/5, 5/19

WHAT THE MEASURE DOES:

Prohibits scrap metal business from purchasing or receiving catalytic converters except from commercial seller or from owner of vehicle from which the catalytic converter was removed. Prohibits scrap metal business from paying cash for catalytic converters and specifies permitted forms of payment and when payment can be made, depending on form of payment. Specifies records that scrap metal business must create and maintain regarding commercial sellers it conducts business with.

Requires scrap metal business to create metal property record that includes specific description of catalytic converters included in the transaction, and to include VIN and copy of title or registration for vehicle from which a catalytic converter was removed.

Prohibits dismantler from acquiring catalytic converter or component of catalytic converter that has been removed from a vehicle and offered for sale. Requires dismantler to maintain records regarding sale or disposal of a catalytic converter.

Establishes offense of unlawfully purchasing or receiving metal property if person: buys, sells, or receives catalytic converter without holding a license as required by state law or local ordinance; fails to create and maintain specified records for catalytic converters purchased or received; or purchases or receives catalytic converter other than a fixed place of business.

Modifies defense to charge of unlawfully transporting metal property.

Provisions apply conduct occurring on or after the effective date.

Fiscal: Minimal impact; Revenue: No impact

Senate vote: 25-2 (Nays: Linthicum, Robinson)

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A3 Clarifies who can raise defense to a charge of unlawfully transporting private metal property. Clarifies definition of fixed place of business. Clarifies which sellers are exempt from specified statutes.

BACKGROUND:

Catalytic converters have been installed in almost all gasoline vehicles sold in the United States since 1975. Catalytic converters have a honeycomb-like interior — coated with precious metals like palladium, rhodium and platinum — that scrub toxic pollutants from the car's exhaust. The value of these metals fluctuate, but according to the New York Times the price of palladium is between \$2,000 and \$2,500 an ounce and rhodium prices have recently reached a record of \$21,900 an ounce.

Senate Bill 803 A prohibits a scrap metal business from purchasing or receiving private metal property unless they meet certain criteria and maintain records. The measure also prohibits a dismantler from acquiring any catalytic converter that has been removed from a vehicle and offered for sale independent of the vehicle.