

SENATE BILL NO. 243—SENATORS NGUYEN, DONATE, KRASNER;
DALY, DONDERO LOOP, FLORES, LANGE, OHRENSCHALL,
PAZINA, SEEVERS GANSERT, SPEARMAN AND STONE

MARCH 9, 2023

JOINT SPONSORS: ASSEMBLYMEN TORRES, DICKMAN, YEAGER;
CARTER, D’SILVA, GORELOW, HAFEN, C.H. MILLER,
MONROE-MORENO, NGUYEN, O’NEILL AND WATTS

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to catalytic converters.
(BDR 15-37)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to catalytic converters; prohibiting certain acts relating to used catalytic converters under certain circumstances; establishing requirements relating to transactions involving used catalytic converters; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 2 of this bill provides that a person commits the offense of theft or possession of a catalytic converter if the person willfully takes or attempts to take possession of, carries away or exercises control over a catalytic converter with the intent to deprive the rightful owner of the catalytic converter. **Section 2** also provides that there is a rebuttable presumption that a person in possession of two or more used catalytic converters committed the offense of theft or possession of a used catalytic converter unless the person is licensed or authorized to possess a used catalytic converter.

Section 3 of this bill prohibits a person from purchasing a used catalytic converter from any person other than: (1) a licensed automobile wrecker; (2) a licensed scrap metal processor; (3) a licensed motor vehicle manufacturer, distributor, dealer or rebuilder; (4) any other business that may reasonably generate, possess or sell used catalytic converters; or (5) a person who possesses certain



documentation that proves the person is the lawful owner of the used catalytic converter.

Section 4 of this bill provides that a person who violates any provision of **section 2 or 3** is guilty of: (1) a category E felony, if the violation involves one used catalytic converter; (2) a category D felony, if the violation involves two, three or four used catalytic converters; (3) a category B felony, punishable by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, if the violation involves five or more, but less than 10 used catalytic converters; and (4) a category B felony, punishable by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, if the violation involves 10 or more used catalytic converters.

Existing law provides certain restrictions on the sale and purchase of scrap metal in this State and includes a catalytic converter in the definition of the term "scrap metal." (NRS 647.017, 647.092-647.098) **Section 12** of this bill excludes a used catalytic converter from the definition of scrap metal.

Section 8 of this bill prohibits a licensed scrap metal processor from purchasing or receiving a used catalytic converter from any person other than certain licensed businesses or a person possessing certain documentation that proves the person is the lawful owner of the used catalytic converter.

Existing law requires scrap metal processors to maintain certain records of purchases of scrap metal. (NRS 647.092-647.098) **Section 9** of this bill requires scrap metal processors to maintain certain additional information if the scrap metal processor purchases a used catalytic converter from certain licensed businesses or a person who has documentation that proves the person is the legal owner of the used catalytic converter. **Section 9** also requires a scrap metal processor to: (1) maintain certain records of all used catalytic converters the scrap metal processor sells to another scrap metal processor; (2) maintain certain records related to used catalytic converters for a period of 2 years; and (3) make certain records related to used catalytic converters available to law enforcement upon demand.

Existing law authorizes a local law enforcement agency to establish an electronic reporting system, or to utilize an existing electronic reporting system, to receive information relating to the purchase of scrap metal by a scrap metal processor that transacts business within the jurisdiction of the local law enforcement agency. If a law enforcement agency establishes or uses such a system, existing law requires each scrap metal processor that transacts business within the jurisdiction of the local law enforcement agency to submit to the local law enforcement agency certain information relating to each purchase of scrap metal from certain persons. (NRS 647.0945) **Section 14** of this bill requires each scrap metal processor to submit electronically to the local law enforcement agency certain additional information if the scrap metal processor purchases a used catalytic converter.

Section 10 of this bill prohibits a scrap metal processor from providing payment for a used catalytic converter to a seller unless: (1) the payment is made by check and mailed to certain addresses; (2) the seller is a person described in **section 8**; and (3) the scrap metal processor obtains certain information, including, without limitation, a statement written by the seller indicating from whom the seller obtained the used catalytic converter. **Section 10** provides for an exception to these requirements for a scrap metal processor who holds a certain written agreement with the seller before purchasing a used catalytic converter.

Under existing law, a person who violates certain provisions governing scrap metal is guilty of a misdemeanor. (NRS 647.143) **Section 15** of this bill provides instead that a person who violates certain provisions governing scrap metal, including **sections 8-10**, is guilty of a misdemeanor punishable by a fine of \$1,000 for the first offense, \$2,000 for the second offense or \$4,000 for any subsequent



offense. **Section 15** authorizes a court to also issue an injunction prohibiting the person from engaging in the business of a scrap metal processor. **Section 15** also provides that a scrap metal processor who is a natural person and who knowingly violates **section 8** or sells a used catalytic converter that the scrap metal processor knows or should know is stolen is guilty of a felony, punishable by a penalty that is similar to the penalties set forth in **section 4**.

Sections 6 and 7 of this bill define the terms "permanently marked" and "used catalytic converter," respectively, for the purpose of provisions governing scrap metal processors. **Section 11** of this bill makes a conforming change to indicate the proper placement of **sections 6 and 7** in the Nevada Revised Statutes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 202 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. 1. A person commits the offense of theft or possession of a catalytic converter if the person willfully takes or attempts to take possession of, carries away or exercises control over a used catalytic converter with the intent to deprive the rightful owner of the catalytic converter.

2. There is a rebuttable presumption that a person in possession of two or more used catalytic converters obtained the used catalytic converters under circumstances constituting a violation of subsection 1 unless the person is:

(a) An automobile wrecker licensed pursuant to NRS 487.070;

(b) A scrap metal processor licensed pursuant to NRS 647.092 who maintains a fixed place of business and has obtained the used catalytic converter in accordance with the provisions of NRS 647.094 and 647.098;

(c) A motor vehicle manufacturer, distributor, dealer or rebuilder licensed pursuant to NRS 482.325;

(d) Any other business that may reasonably generate, possess or sell used catalytic converters; or

(e) A person possessing documentation that proves the person is the lawful owner of the used catalytic converter, including, without limitation, a certificate of title or registration that identifies the person as the legal or registered owner of the vehicle from which the used catalytic converter was removed and which includes a vehicle identification number that matches the vehicle identification number permanently marked on the used catalytic converter.

3. As used in this section:

(a) "Permanently marked" has the meaning ascribed to it in section 6 of this act.



(b) "Used catalytic converter" has the meaning ascribed to it in section 7 of this act.

Sec. 3. 1. A person shall not purchase a used catalytic converter for any purpose, including, without limitation, to dismantle, recycle or smelt, unless the person purchases the used catalytic converter from:

(a) An automobile wrecker licensed pursuant to NRS 487.070;

(b) A scrap metal processor licensed pursuant to NRS 647.092 who maintains a fixed place of business and has obtained the used catalytic converter in accordance with the provisions of NRS 647.094 and 647.098;

(c) A motor vehicle manufacturer, distributor, dealer or rebuilder licensed pursuant to NRS 482.325;

(d) Any other business that may reasonably generate, possess or sell used catalytic converters; or

(e) A person possessing documentation that proves the person is the lawful owner of the used catalytic converter, including, without limitation, a certificate of title or registration that identifies the person as the legal or registered owner of the vehicle from which the used catalytic converter was removed and which includes a vehicle identification number that matches the vehicle identification number permanently marked on the used catalytic converter.

2. As used in this section:

(a) "Permanently marked" has the meaning ascribed to it in section 6 of this act.

(b) "Used catalytic converter" has the meaning ascribed to it in section 7 of this act.

Sec. 4. A person who violates any provision of section 2 or 3 of this act is guilty of:

1. If the violation involves one used catalytic converter, a category E felony and shall be punished as provided in NRS 193.130.

2. If the violation involves two, three or four used catalytic converters, a category D felony and shall be punished as provided in NRS 193.130.

3. If the violation involves five or more, but less than 10, used catalytic converters, a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years.

4. If the violation involves 10 or more used catalytic converters, a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years.



1 **Sec. 5.** Chapter 647 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 6 to 10, inclusive, of this
3 act.

4 **Sec. 6.** *“Permanently marked” means prominently engraved,*
5 *etched, welded, metal-stamped, acid-marked or otherwise*
6 *permanently displayed using a similarly reliable method of*
7 *imparting a lasting mark on the exterior case of a used catalytic*
8 *converter.*

9 **Sec. 7.** *“Used catalytic converter” means a catalytic*
10 *converter that has been previously installed on a vehicle and has*
11 *been removed. The term does not include a reconditioned or*
12 *refurbished catalytic converter being sold at retail.*

13 **Sec. 8.** *A person who is authorized to purchase or otherwise*
14 *receive a used catalytic converter pursuant to subsection 1 of NRS*
15 *647.0172 shall not purchase or otherwise receive a used catalytic*
16 *converter for any purpose, including, without limitation, to*
17 *dismantle, recycle or smelt, unless the person purchases or*
18 *receives the used catalytic converter from:*

19 1. *An automobile wrecker licensed pursuant to NRS 487.070;*

20 2. *A scrap metal processor licensed pursuant to NRS 647.092*
21 *who maintains a fixed place of business and has obtained the used*
22 *catalytic converter in accordance with the provisions of NRS*
23 *647.094 and 647.098;*

24 3. *A motor vehicle manufacturer, distributor, dealer or*
25 *rebuilder licensed pursuant to NRS 482.325;*

26 4. *Any other business that may reasonably generate, possess*
27 *or sell used catalytic converters; or*

28 5. *A person possessing documentation that proves the person*
29 *is the lawful owner of the used catalytic converter, including,*
30 *without limitation, a certificate of title or registration that*
31 *identifies the person as the legal or registered owner of the vehicle*
32 *from which the used catalytic converter was removed and which*
33 *includes a vehicle identification number that matches the vehicle*
34 *identification number permanently marked on the used catalytic*
35 *converter.*

36 **Sec. 9.** 1. *Except as otherwise provided in subsections 2*
37 *and 3, every scrap metal processor shall maintain in his or her*
38 *place of business a book or other permanent record in which must*
39 *be made, at the time of each purchase of a used catalytic*
40 *converter, a record of the purchase that contains:*

41 (a) *The place and date of the purchase.*

42 (b) *The name of the seller and the seller’s valid driver’s license*
43 *number or valid identification card number and the state of issue.*



(c) A general description of the vehicle delivering the used catalytic converter, including, without limitation, the state of the registration of the vehicle.

(d) A description of the used catalytic converter purchased, including, without limitation, the item type, quantity and vehicle identification number of the used catalytic converter.

(e) A description of the vehicle from which the used catalytic converter was removed, including, without limitation:

(1) The year, make, model and vehicle identification number of the vehicle; and

(2) If applicable, a copy of the title of the vehicle which includes a vehicle identification number that matches the vehicle identification number permanently marked on the used catalytic converter.

(f) A statement written by the seller indicating:

(1) That the seller is the owner of the used catalytic converter; or

(2) The name of the person from which the seller obtained the used catalytic converter, including, if applicable, the name of the business as shown on a signed transfer document.

(g) The price paid by the scrap metal processor for the used catalytic converter.

(h) If the seller is a business entity, other than a scrap metal processor:

(1) The seller's physical business address;

(2) The seller's business telephone number; and

(3) The seller's business license number or tax identification number of the business.

2. A scrap metal processor who purchases a used catalytic converter from a business entity that holds a written agreement with another business that sells used catalytic converters for recycling purposes is required to maintain in his or her place of business a book or other permanent record in which must be made, at the time of each purchase, a record of the purchase that contains:

(a) The name of the seller or agent acting on behalf of the seller.

(b) The seller's physical business address and business telephone number.

(c) The seller's business license number or tax identification number.

(d) The date and place of the transaction.

(e) The number of used catalytic converters received in the course of the transaction.



(f) *The amount of money that was paid for each used catalytic converter in the course of the transaction.*

(g) *A copy of the written agreement.*

3. *A scrap metal processor who sells a used catalytic converter to another scrap metal processor shall maintain in his or her place of business a book or other permanent record in which must be made, at the time of each sale, a record of the sale that contains:*

(a) *The name and address of each person to whom each used catalytic converter is sold.*

(b) *The number of used catalytic converters being sold.*

(c) *The amount of money that was received for each used catalytic converter sold in the transaction.*

(d) *The date and place of the transaction.*

4. *All records kept pursuant to subsections 1, 2 and 3 must be kept and maintained for not less than 2 years.*

5. *All used catalytic converters purchased by the scrap metal processor and the records made and maintained in accordance with subsections 1 to 4, inclusive, must be made available at all times to a local law enforcement agency upon demand.*

Sec. 10. 1. *Except as otherwise provided in subsection 2, a scrap metal processor shall not provide payment for a used catalytic converter unless:*

(a) *The payment is made by check and is:*

(1) *Mailed by the scrap metal processor to the address listed on the seller's valid driver's license or identification card or an alternative address pursuant to subparagraph 2;*

(2) *For a seller that is a business entity, mailed to the seller's business address or made available immediately through an electronic transfer of money; or*

(3) *Collected by the seller from the scrap metal processor on the third business day after the date of the sale;*

(b) *The seller is a person described in section 8 of this act; and*

(c) *The scrap metal processor obtains:*

(1) *A clear photograph or video of the:*

(I) *Seller at the time of the sale;*

(II) *Used catalytic converter being sold; and*

(III) *If applicable, the vehicle identification number permanently marked on the used catalytic converter;*

(2) *Except as otherwise provided in subparagraph (3), a copy of the seller's valid driver's license containing the photograph and address of the seller, or a copy of a state or federal government-issued identification card containing the photograph and address of the seller;*



(3) *If the seller prefers to have the check for the used catalytic converter mailed to an alternative address, a copy of a driver's license or identification card and a gas or electric utility bill addressed to the seller at the alternative address, other than a post office box, with a payment due date of not more than 2 months before the date of the sale; and*

(4) *A statement written by the seller indicating:*

(I) *That the seller is the owner of the used catalytic converter; or*

(II) *The name of the person from whom the seller obtained the used catalytic converter, including, if applicable, the name of the business as shown on a signed transfer document.*

2. *The provisions of subsection 1 do not apply to a scrap metal processor who buys a used catalytic converter if the scrap metal processor and the seller have a written agreement for the transaction which includes:*

(a) *A log or other regularly updated record of all used catalytic converters received pursuant to the agreement; and*

(b) *A description of each catalytic converter with enough particularity so that each of the used catalytic converters in the scrap metal processor's inventory can reasonably be matched to its description in the agreement.*

Sec. 11. NRS 647.010 is hereby amended to read as follows:

647.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 647.011 to 647.018, inclusive, *and sections 6 and 7 of this act* have the meanings ascribed to them in those sections.

Sec. 12. NRS 647.017 is hereby amended to read as follows:

647.017 1. "Scrap metal" means ~~⌈~~

~~(a) Nonferrous~~ *nonferrous* metals, scrap iron, stainless steel or other material or equipment which consists in whole or in part of metal and which is used in construction, agricultural operations, electrical power generation, transmission or distribution, cable, broadband or telecommunications transmission, railroad equipment, oil well rigs or any lights maintained by the State or a local government, including, without limitation, street lights, traffic-control devices, park lights or ballpark lights . ~~⌋ and~~

~~(b) Catalytic converters.⌋~~

2. The term does not include waste generated by a household, aluminum beverage containers, used construction scrap iron , ~~⌋ or~~ materials consisting of a metal product in its original manufactured form which contains not more than 20 percent by weight nonferrous metal ~~⌋~~ *or used catalytic converters.*

Sec. 13. NRS 647.0172 is hereby amended to read as follows:

647.0172 "Scrap metal processor" means any person who:



1 1. Engages in the business of purchasing, trading, bartering or
2 otherwise receiving scrap metal ~~or~~ *or used catalytic converters; or*

3 2. Uses machinery and equipment for processing and
4 manufacturing iron, steel or nonferrous scrap into prepared grades,
5 and whose principal product is scrap iron, scrap steel or nonferrous
6 metallic scrap, not including precious metals, for sale for remelting
7 purposes.

8 **Sec. 14.** NRS 647.0945 is hereby amended to read as follows:

9 647.0945 1. A local law enforcement agency may establish
10 an electronic reporting system or utilize an existing electronic
11 reporting system to receive information relating to the purchase of
12 scrap metal *or used catalytic converters* by a scrap metal processor
13 that transacts business within the jurisdiction of the local law
14 enforcement agency. An electronic reporting system established or
15 utilized pursuant to this subsection must:

16 (a) Be electronically secure and accessible only to:

17 (1) A scrap metal processor for the purpose of submitting the
18 information required by subsection 2;

19 (2) An officer of the local law enforcement agency; and

20 (3) If applicable, an authorized employee of any designated
21 third party.

22 (b) Provide for the electronic submission of information by a
23 scrap metal processor.

24 2. If a local law enforcement agency establishes an electronic
25 reporting system or utilizes an existing electronic reporting system
26 pursuant to subsection 1, each scrap metal processor that transacts
27 business within the jurisdiction of the local law enforcement agency
28 shall, before 12 p.m. of each business day, submit electronically to
29 the local law enforcement agency or, if applicable, a designated
30 third party the following information regarding ~~each~~ :

31 (a) *Each* purchase of scrap metal conducted on the preceding
32 day from a person who sold the scrap metal in his or her individual
33 capacity:

34 ~~(a)~~ (1) The name of the seller;

35 ~~(b)~~ (2) The date of the purchase;

36 ~~(c)~~ (3) The name of the person or employee who conducted the
37 transaction on behalf of the scrap metal processor;

38 ~~(d)~~ (4) The name, street, house number and date of birth listed
39 on the identification provided pursuant to paragraph (c) of
40 subsection 1 of NRS 647.094 and a physical description of the
41 seller, including the seller's gender, height, eye color and hair color;

42 ~~(e)~~ (5) The license number and general description of any
43 vehicle that delivered the scrap metal;

44 ~~(f)~~ (6) The description of the scrap metal recorded pursuant to
45 paragraph (h) of subsection 1 of NRS 647.094; ~~and~~



1 ~~—(g)~~ (7) The amount, in weight, of scrap metal purchased ~~H~~ ;
2 and

3 (b) *Each purchase of a used catalytic converter conducted on*
4 *the preceding day from a person who sold the used catalytic*
5 *converter in his or her individual capacity:*

6 (1) *A statement written by the seller indicating:*

7 (I) *That the seller is the owner of the used catalytic*
8 *converter; or*

9 (II) *The name of the person from whom the seller*
10 *obtained the used catalytic converter, including, if applicable, the*
11 *name of the business as shown on a signed transfer document;*

12 (2) *If applicable, a copy of the title of the vehicle from*
13 *which the used catalytic converter was removed which includes a*
14 *vehicle identification number that matches the vehicle*
15 *identification number permanently marked on the used catalytic*
16 *converter;*

17 (3) *The year, make, model and vehicle identification*
18 *number of the vehicle from which the used catalytic converter was*
19 *removed; and*

20 (4) *A description of the used catalytic converter purchased*
21 *or sold, including, without limitation, the item type, quantity and*
22 *vehicle identification number permanently marked on the used*
23 *catalytic converter.*

24 3. If a scrap metal processor is required to submit information
25 to a local law enforcement agency or, if applicable, a designated
26 third party pursuant to subsection 2, the scrap metal processor shall
27 display prominently at the point of purchase a public notice, in a
28 form approved by the local law enforcement agency, describing the
29 information that the scrap metal processor is required to submit
30 electronically to the local law enforcement agency or, if applicable,
31 the designated third party.

32 4. Nothing in this section shall be deemed to limit or otherwise
33 abrogate any duty of a scrap metal processor to maintain a book or
34 other permanent record of information pursuant to NRS 647.094.

35 5. If a local law enforcement agency establishes an electronic
36 reporting system or utilizes an existing electronic reporting system
37 to receive information pursuant to this section, the local law
38 enforcement agency shall, on or before January 15 of each odd-
39 numbered year, submit to the Director of the Legislative Counsel
40 Bureau for transmittal to the Legislature a report regarding the effect
41 of the electronic reporting system on the incidence of crime which
42 relates to the sale or purchase of scrap metal *or used catalytic*
43 *converters* within the jurisdiction of the law enforcement agency.

44 6. ~~[The]~~ *Except as otherwise provided in paragraph (b) of*
45 *subsection 2, the* provisions of this section do not apply to the



1 purchase of scrap metal *or a used catalytic converter* from a
2 business entity.

3 7. The Division of Industrial Relations of the Department of
4 Business and Industry shall, in consultation with representatives
5 from local law enforcement agencies in this state and representatives
6 from the scrap metal industry, adopt regulations to ensure the
7 confidentiality of information which is reported and maintained
8 pursuant to this section, including, without limitation, regulations
9 providing for:

10 (a) The confidentiality of consumer information;

11 (b) The confidentiality of proprietary information;

12 (c) Equity of input into contractual terms;

13 (d) Contractual terms relating to disclaimers, indemnification
14 and the ownership of data by a designated third party;

15 (e) Oversight of a designated third party that handles, maintains
16 or has access to such information, including, without limitation, the
17 qualifications, equipment, procedures and background checks
18 required of a designated third party;

19 (f) The manner in which reported information may be used,
20 shared or disseminated; and

21 (g) The maintenance of reported information in relationship to
22 other data maintained by a law enforcement agency.

23 8. As used in this section, "designated third party" means any
24 person with whom a local law enforcement agency has entered into
25 a contract for the purpose of receiving and storing any information
26 required to be submitted electronically by a scrap metal processor
27 pursuant to subsection 2.

28 **Sec. 15.** NRS 647.143 is hereby amended to read as follows:

29 647.143 1. ~~Unless~~ *Except as otherwise provided in*
30 *subsection 3 and unless* a greater penalty is provided pursuant to
31 specific statute, a person who violates any provision of NRS
32 647.094, 647.096 or 647.098 *or section 8, 9 or 10 of this act* is
33 guilty of a misdemeanor ~~and~~ *and shall be punished by:*

34 (a) *For the first offense, a fine of \$1,000;*

35 (b) *For the second offense, a fine of \$2,000; or*

36 (c) *For a third and subsequent offense, a fine of not less than*
37 *\$4,000.*

38 2. *In addition to the provisions of subsection 2, the court may*
39 *issue an injunction prohibiting a person from engaging in the*
40 *business of a scrap metal processor:*

41 (a) *For the first or second offense, for a period of not less than*
42 *30 days.*

43 (b) *For a third or subsequent offense, for a period of 1 year.*

44 3. *Any scrap metal processor who is a natural person and*
45 *who knowingly violates section 8 of this act or who sells any used*



catalytic converter that the scrap metal processor knows or should know is a stolen catalytic converter, is guilty of:

(a) If the violation involves one used catalytic converter, a category E felony and shall be punished as provided in NRS 193.130.

(b) If the violation involves two, three or four used catalytic converters, a category D felony and shall be punished as provided in NRS 193.130.

(c) If the violation involves five or more, but less than 10, used catalytic converters, a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years.

(d) If the violation involves 10 or more used catalytic converters, a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years.

