

Sixty-seventh
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2242

Introduced by

Senators Kannianen, Burckhard, Vedaa

Representatives Fegley, Longmuir, Schauer

1 A BILL ~~for an Act to create and enact a new section to chapter 51-07 of the North Dakota~~
2 ~~Century Code, relating to the sale or purchase of a catalytic converter; and to provide a~~
3 ~~penalty for an Act to amend and reenact section 51-35-01, subsection 1 of section 51-35-02,~~
4 ~~and section 51-35-04 of the North Dakota Century Code, relating to scrap metal dealers; and to~~
5 ~~provide a penalty.~~

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 ~~— **SECTION 1.** A new section to chapter 51-07 of the North Dakota Century Code is created~~
8 ~~and enacted as follows:~~

9 ~~— **Sale or purchase of catalytic converter - Penalty.**~~

10 ~~— 1. As used in this section, "core recycler" means a person that buys used individual~~
11 ~~catalytic converters previously removed from a motor vehicle. The term includes a~~
12 ~~recycler, junk dealer, valuable metal dealer, pawn shop, and a chop shop as defined in~~
13 ~~section 39-30-01.~~

14 ~~— 2. A core recycler may not purchase or attempt to purchase a catalytic converter, in~~
15 ~~whole or in part, when the catalytic converter is not attached to a motor vehicle at the~~
16 ~~time of the sale or attempted sale, unless the seller is a used parts dealer or an~~
17 ~~automotive repair company.~~

18 ~~— 3. Subsection 2 does not apply if the seller:~~

19 ~~— a. Provides the core recycler with a certificate of title, certificate of registration, a~~
20 ~~receipt from a transaction of repair, or a bill of sale for the motor vehicle from~~
21 ~~which the catalytic converter was taken; or~~

22 ~~— b. Is a licensed business that in the regular course of business collects, stores, or~~
23 ~~sells a catalytic converter or any other motor vehicle part.~~

~~4. A person that violates this section is guilty of an infraction punishable by a fine of one thousand dollars for a first violation, and a class B misdemeanor for a subsequent violation. In addition to the penalty imposed for a subsequent offense, the court shall order the defendant to cease engaging in the business of a core recycler for a period one year.~~

SECTION 1. AMENDMENT. Section 51-35-01 of the North Dakota Century Code is amended and reenacted as follows:

51-35-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Alloy" means a combination of a metal and carbon or other metals.
2. "Business records" means records of any purchase or transaction that involves the receipt of scrap metals made in the ordinary course of business and includes written receipts, books or similar records, or electronically stored records, but does not include correspondence, tax returns, or financial statements.
3. "Core recycler" means a person that buys used individual catalytic converters previously removed from a motor vehicle. The term includes a recycler, junk dealer, valuable metal dealer, and a pawn shop.
4. "Ferrous metals" means those metals that will attract a magnet, and includes alloys of those metals.
- ~~4.5.~~ "Law enforcement officer" or "peace officer" means a public servant authorized by law or by a government agency or branch to enforce the law and to conduct or engage in investigations or prosecutions for violations of law.
- ~~5.6.~~ "Nonferrous metals" means those metals that will not normally attract a magnet, including copper, brass, aluminum, bronze, lead, zinc, platinum, and nickel and includes alloys of those metals. The term includes a used catalytic converter previously removed from a motor vehicle.
- ~~6.7.~~ "Scrap metal" means ferrous or nonferrous metals purchased primarily for reuse or recycling, including metals combined with other materials at the time of purchase or acquisition, and including insulated and uninsulated wire and cable. Scrap metal does not include automobiles, automobile hulks, or any aluminum food or beverage containers.

1 ~~7.8.~~ "Scrap metal dealer" means a person, as defined in subsection 8 of section 1-01-49,
2 engaged in the business of purchasing, selling, trading, or bartering scrap metal, and
3 includes all employees of the scrap metal dealer. The term includes a core recycler.

4 **SECTION 2. AMENDMENT.** Subsection 1 of section 51-35-02 of the North Dakota Century
5 Code is amended and reenacted as follows:

6 1. Every scrap metal dealer shall keep business records of any purchase, trade, barter,
7 or other transaction that involves the receipt of scrap metals worth over twenty-five
8 dollars. The business records must include the following information:

- 9 a. The date, time, and place of each purchase or transaction;
- 10 b. A description of the scrap metal received and the weight and type of scrap metal
11 received;
- 12 c. The amount paid to the person selling or delivering the scrap metal and the
13 manner of payment, including check or electronic transfer;
- 14 d. The name and address of the person selling or delivering the scrap metal; ~~and~~
- 15 e. A photocopy of a valid government-issued identification card or driver's license
16 and which must include the seller's or deliverer's full name, photograph, date of
17 birth, and signature; and

18 f. For the purchase of a used catalytic converter previously removed from a motor
19 vehicle, in whole or in part, a photocopy of the seller's certificate of title, certificate
20 of registration, a receipt from a transaction of repair, or a bill of sale for the motor
21 vehicle from which the catalytic converter was removed. This subdivision does
22 not apply if the seller is a used parts dealer, an automotive repair business, or a
23 licensed business that in the regular course of business collects, stores, or sells a
24 catalytic converter or any other motor vehicle part.

25 **SECTION 3. AMENDMENT.** Section 51-35-04 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **51-35-04. Penalty.**

- 28 1. A scrap metal dealer who willfully fails to comply with section 51-35-02 is guilty of a
29 class B misdemeanor for a first offense. For a subsequent offense involving a used
30 catalytic converter previously removed from a motor vehicle, a scrap metal dealer is

1 guilty of a class B misdemeanor and the court shall order the dealer to cease
2 engaging in the business of a scrap metal dealer for a period of one year.

3 2. A scrap metal dealer who willfully buys, receives, possesses, or conceals stolen scrap
4 metal, and the scrap metal is less than five hundred dollars in value is guilty of a
5 class A misdemeanor.

6 3. A scrap metal dealer who willfully buys, receives, possesses, or conceals stolen scrap
7 metal, and the scrap metal exceeds five hundred dollars in value, is guilty of a class C
8 felony.