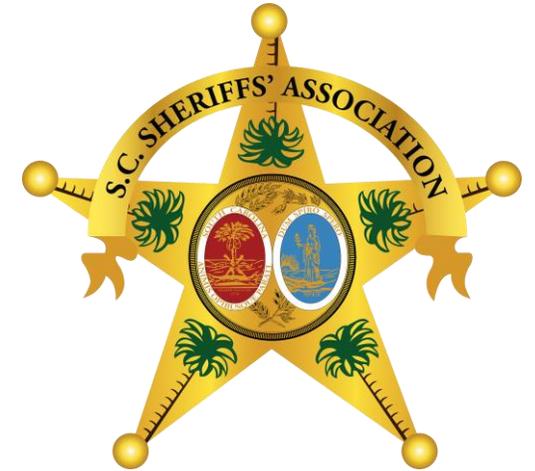


Catalytic Converter Theft – 2021 Statute Changes

Joint Training for Law Enforcement and Recyclers on HB 3991



Disclaimer:

While this presentation answers many questions regarding South Carolina's non-ferrous metal laws, particularly as it relates to catalytic converters, we do not claim to answer all questions fully. Further, this information is not to be considered legal advice. Before acting based on information featured in this presentation, you should always consult with your own attorney.



Presenters

- Joanna McDuffie – Deputy Chief and General Counsel, Richland County Sheriff's Office



- Barry Wolff - Exec. VP / General Manager Charleston Steel, President, SE Chapter, Institute of Scrap Recycling Industries (ISRI)



- Steve Levetan, Executive VP, Pull-A-Part, LLC; Chair of ISRI's National Catalytic Converter Theft Working Group



Recent Headlines around the State

Florence man previously arrested 3 times for catalytic converter thefts strikes again, deputies say

Vehicle break-ins, catalytic converter thefts on the rise along the Grand Strand, police say

County

Catalytic converters thieves target local businesses in Aiken, Edgefield counties

Vehicle break-ins, catalytic converter thefts on the rise along the Grand Strand, police say

HB 3991

- Senator Brad Hutto and Representative Todd Rutherford teamed to strengthen SC Law
- Joint effort by SC Law Enforcement and SC Recyclers Association
- Passed and signed into law May 18, 2021

Questions we will answer:

- What are the changes in the law?
- What new tools now exist for LE?
- Who can sell detached catalytic converters?
- Who can buy detached catalytic converters?
- What are the impacts on Secondary Metals Recyclers (SMRs)?
- What are the impacts on generators and sellers of detached catalytic converters?

Pre-existing law – Barry Wolff



New Law on Catalytic Converters – Steve Levetan



- Important Notes
 - Deals with “detached catalytic converters” – not converters still attached to a vehicle being sold to a SMR or Demolisher (autorecycler)
 - Does not impact the RARE occurrence of the sale of a used converter that has been tested, labeled, and certified in accordance with US EPA regulations
- Basic Changes
 - Clarifies who can buy detached catalytic converters – ONLY permitted SMR
 - Clarifies who can possess and sell detached catalytic converters – ONLY certain businesses and individuals with proper documentation
 - Limits locations for transactions

Who Can Buy?

ONLY a Permitted Secondary Metals Recycler may buy detached catalytic converters.

But, what about “cores” and “core buyers?” – NO, and NO

- Catalytic Converters are not “rebuilt” or “re-manufactured” – their value is for scrap.
 - They cannot be sold for reuse (unless tested, certified, and labeled per EPA)
 - Catalytic Converters have always been covered by 16-17-680
- The purchase of a new, replacement catalytic converter may include a “core charge” to assure the return of a scrap converter to the seller, who may then ONLY return the core charge to the purchaser which was previously paid by the purchaser, and only on a one-for-one basis



Cores

\$150

Hobbies > Car Engines & Parts

Listed 21 weeks ago in Chattanooga, TN

 Message



Details

Condition

Used - Good

In the area buying dpfs and catalytic converters
pm me for prices thanks



Chattanooga, TN

Location is approximate



Joined Facebook in 2009



Catalytic converters prices

\$1,000

Listed 3 weeks ago in Greensboro, NC

 Message



Details

Top prices inbox if interested 



Greensboro, NC

Location is approximate

Seller Information



 Joined Facebook in 2014

Who Can Buy (Out of State)

An out-of-state secondary metals recycler

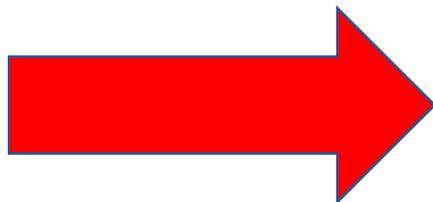
- who maintains a fixed site and
- who complies with ALL other provisions of this chapter*

May obtain, purchase, or otherwise acquiring a used, detached catalytic converter or any nonferrous part of a used catalytic converter.

*Out of State SMR

- Have always been covered by 16-17-680 and required to obtain a permit from the Sheriff in each county in which they buy
- For purchasing Catalytic Converters, there is the added requirement for having a “fixed site”
- All other requirements of the Chapter must be met, including recordkeeping, payment restrictions, purchase limitations, etc.

Might be a clue?



Facebook Marketplace listing for "Cat dad" (Atlanta, GA) selling catalytic converters and DPFs for \$5,679. The listing includes a map of Atlanta, GA, and seller information.

Cat dad 🌱
\$5,679
Listed 18 weeks ago in Atlanta, GA

Message Message

Details
Condition Used - Good
Catalytic converters and dpfs ! Message me for more information.

Atlanta, GA
Location is approximate

Seller Information
[Redacted]
Joined Facebook in 2009



\$1,234

Listed 16 weeks ago in Statesville, NC

 Message



Details

Condition

Used - Good



Statesville, NC

Location is approximate

Seller Information



Joined Facebook in 2019

Who can Possess or Sell?

- Only certain limited businesses
 - licensed automotive repair service,
 - a licensed demolisher, as defined in Section 56-5-5810,
 - a licensed secondary metals recycler,
 - a licensed motor vehicle dealer, or
 - A licensed distributor of catalytic converters, **OR**

the business selling the catalytic converter or nonferrous part provides a record or receipt showing:

- the repair order number, when applicable;
- the date of repair or the date on which the catalytic converter was removed from a vehicle, including the identity of the individual or entity that removed the catalytic converter, when applicable; and
- the vehicle identification number of the vehicle from which the catalytic converter was removed;

Who can Possess or Sell?

- An individual, **ONLY** if they:
 - provide the secondary metals recycler with the following information for the motor vehicle that the catalytic converter was taken from to include all of the following:
 - the name of the person or company that removed the catalytic converter;
 - the name of the person for whom the work was completed;
 - the make and model of the vehicle from which the catalytic converter was removed;
 - the vehicle identification number of the vehicle from which the catalytic converter was removed;
 - the part number or other identifying number of the catalytic converter that was removed; and
 - the certificate of title or certificate of registration showing the seller's ownership interest in the vehicle.

Transaction Location

- Must be at SMRs Fixed Site
- OR, may take place at the Fixed Site of ONLY the following sellers:
 - a licensed automotive repair service,
 - a licensed demolisher, as defined in Section 56-5-5810,
 - a licensed secondary metals recycler, or
 - a licensed motor vehicle dealer
- ANY transaction with any other type of business, or ANY individual, must take place at the SMR's Fixed Site

SMR Responsibilities

The secondary metals recycler, must first determine if the potential seller is either:

- One of the permitted types of businesses:
 - a licensed automotive repair service,
 - a licensed demolisher, as defined in Section 56-5-5810,
 - a licensed secondary metals recycler,
 - a licensed motor vehicle dealer, or
 - a licensed distributor of catalytic converters, OR

- An individual

SMR Responsibilities

- Does the business or individual have the necessary documentation?
 - **Yes** -> proceed with purchase including all other SMR requirements
 - **No** -> explain the requirements and decline the purchase until requirements are met

SMR Responsibilities

Finally, the SMR must:

(i) verify, with the applicable documentation that the person transferring or selling the used, detached catalytic converter acquired it legally and has the right to transfer or sell it; and

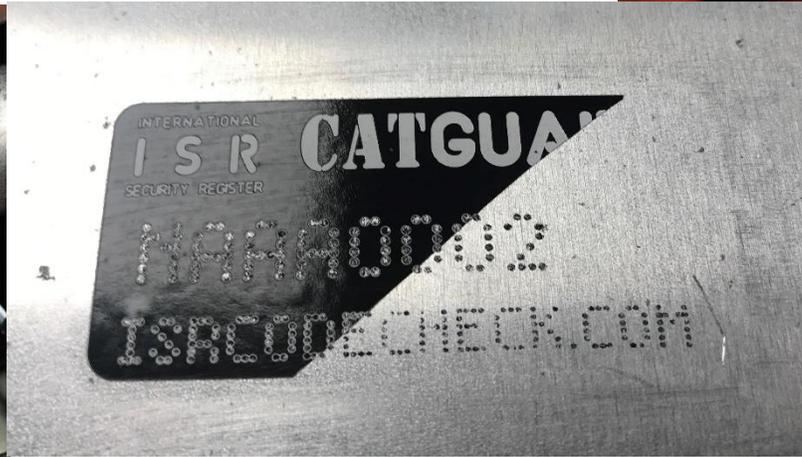
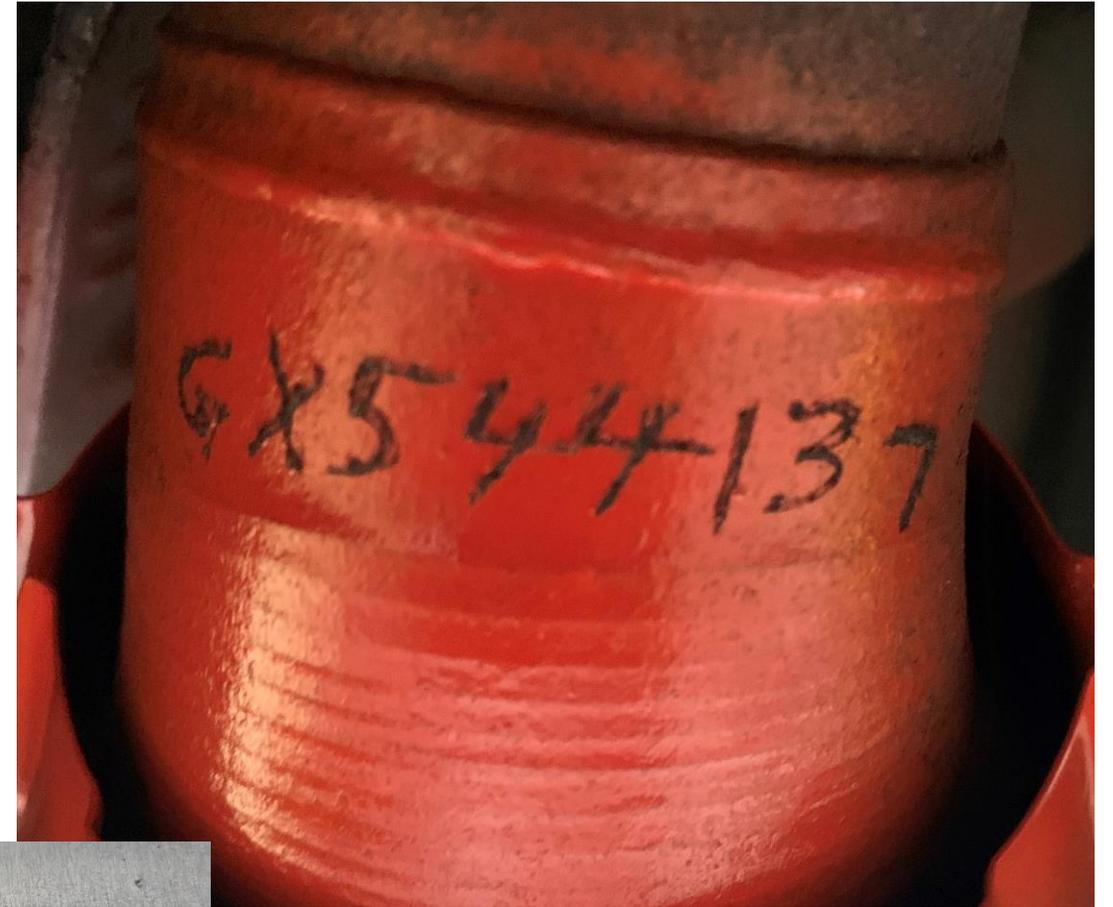
(ii) retain a record of the applicable verification and other information required pursuant to subsection (D)(2) and **note in their records any obvious marking on the used, detached catalytic converter such as paint, labels, or engravings** that would aid in the identification of the catalytic converter.



Examples of Obvious markings

- Paint
- Note converter cut with a shear, not a saw... (should likely NEVER be in possession of an individual)

Engraving



Label/Engraving

New Law on Catalytic Converters – Joanna McDuffie



- **It is unlawful for any individual or entity other than a permitted secondary metals recycler to purchase or attempt to purchase a used detached catalytic converter or any non-ferrous part of a catalytic converter.**

Issuing Permits

- (B)(5)A Sheriff may investigate a SMR's background prior to issuing a permit for purposes of determining if the SMR qualifies to be issued a permit.
- (C)(5)A Sheriff may investigate a person or entity's background prior to issuing a permit for purposes of determining if the person or entity qualifies to be issued a permit.
- A permit may be denied, suspended, or revoked at any time if a sheriff discovers that the application information is inaccurate, a person or entity does not comply with the permit requirements, or a person or entity is convicted of a nonferrous metals violation.

SMR Record Retention

- Required to keep:
 - Date of purchase
 - Name and Address of Seller
 - Photocopy of Sellers ID
 - Photocopy of Sellers permit to transport and sell
 - License plate of seller (if applicable)
 - Weight and size or other description of nonferrous metals purchase
 - Amount paid for the nonferrous metals
 - Signed statement saying seller is the rightful owner
- Records must be maintained for 1 year from the date of purchase and open to inspect by law enforcement during business hours

Transportation and Possession of Non-Ferrous Metals 16-17-680(G)(1)

- It is unlawful for any person to transport or possess any non-ferrous metals in this state unless the person has:
 - (a) has a valid permit to transport and sell non-ferrous metals, or
 - (b) the person can present a valid bill of sale for the non-ferrous metal.
- If Law Enforcement determines that one or more of the exceptions applies or determines the non-ferrous metals are not stolen and in rightful possession, the officer **WILL NOT** issue a citation for a violation of the subsection.

Sale of catalytic converters to SMR's

- It is unlawful for an individual or entity to possess, obtain or otherwise acquire, transport, or sell as used, detached catalytic converter or any non-ferrous parts of a catalytic converter without a permit and without providing the following documentation to law enforcement and/or permitted secondary metal recycler:
 - 1) Name of the Person or Company that removed the converter
 - 2) Name of the person for whom the work was completed
 - 3) Make and Model the converter was removed from
 - 4) Vin # of the vehicle the converter was removed from
 - 5) Part number or other identifying number of the removed converter
 - 6) Certificate of title or certificate of registration showing seller's ownership interest in the vehicle

- It is unlawful for a seller of a used, detached catalytic converter or any non-ferrous parts of a catalytic converter to provide any false, or fraudulent, altered or counterfeit information or documentation as required by this subsection.

- Penalty for violating:
 - 1) First offense: guilty of a misdemeanor and upon conviction must be fined in the discretion of the court or imprisoned not more than three years or both,
 - 2) Second offense: guilty of a felony and upon conviction must be fined in the discretion of the court or imprisoned not more than five years or both.

- Before each purchase or acquisition of a used, detached catalytic converter, the secondary metals recycler, including an agent, employee, or representative of the secondary metals recycler, must:
 - (i) verify, with the applicable documentation that the person transferring or selling the used, detached catalytic converter acquired it legally and has the right to transfer or sell it; and
 - (ii) retain a record of the applicable verification and other information required pursuant to subsection (D)(2) and note in their records any obvious marking on the used, detached catalytic converter such as paint, labels, or engravings that would aid in the identification of the catalytic converter.

S.C. Code Ann. § 16-17-680

SMR Record Retention (general nonferrous)

- Required to keep:
 - Date of purchase
 - Name and Address of Seller
 - Photocopy of Sellers ID
 - Photocopy of Sellers permit to transport and sell
 - License plate of seller (if applicable)
 - Weight and size or other description of nonferrous metals purchase
 - Amount paid for the nonferrous metals
 - Signed statement saying seller is the rightful owner
- Records must be maintained for 1 year from the date of purchase and open to inspect by law enforcement during business hours

- NOTE: Each unlawfully obtained, possessed, or transported used, detached catalytic converter is a separate violation that subjects the individual or entity to a separate charge per converter. Upon conviction, the court may order the individual or entity to pay restitution for the value of the repair and replacement of the catalytic converter or the individual or entity may be held liable as otherwise provided by law.
- NOTE: A person in possession of a used, detached catalytic converter without identifying documentation is presumed to be in possession of CONTRABAND subject to forfeiture as otherwise provided by law.

Questions?



Joint Training for Law
Enforcement and Recyclers
on HB 3991



Speaker Info



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