

**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: August 15, 2022

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso  
Chief Legislative Analyst



Council File No. 22-0002-S101  
Assignment No: 22-07-0461

SUBJECT: Resolution to SUPPORT AB 1740 (Muratsuchi), AB 2407 (O'Donnell) and SB 1087 (Gonzalez)

CLA RECOMMENDATION: Adopt the Resolution (Lee – Krekorian) to include in the City's 2021-2022 State Legislative Program, SUPPORT for AB 1740 (Muratsuchi), AB 2407 (O'Donnell) and SB 1087 (Gonzalez), which would seek to strengthen the laws governing the sale of used catalytic converters, thereby assisting law enforcement in reducing thefts and discouraging the commission of the crime.

SUMMARY

The Resolution (Lee – Krekorian), introduced June 28, 2022, describes catalytic converters as devices that reduce pollution-causing emissions on all vehicles produced in the United States since 1975, utilizing precious metals inside the device as catalysts to help reduce contaminants from the vehicle's exhaust. The Resolution states that the prices of metals inside of catalytic converters, such as rhodium, platinum, and palladium, have increased dramatically in the last few years, and as such, according to the National Insurance Crime Bureau, there has been a ten-fold increase in catalytic converter thefts since 2018, with more than 14,000 reported catalytic converters stolen in 2020. The Resolution notes that there are three bills currently pending in the State Legislature: AB 1740 (Muratsuchi), AB 2407 (O'Donnell) and SB 1087 (Gonzalez), which would seek to strengthen the laws governing the sale of used catalytic converters, thereby assisting law enforcement in reducing thefts and discouraging the commission of the crime.

Therefore, the Resolution requests that the City support these bills inasmuch as they would make it more difficult for thieves to profit from the sale of stolen catalytic converters.

BACKGROUND

The Los Angeles Police Department (LAPD) has stated that catalytic converter thefts have increased by nearly 300% since March of 2020.

Since January of this year, catalytic converters have been stolen from 160 buses at garages belonging to the Los Angeles Unified School District (LAUSD), which have so far cost the LAUSD \$581,000 – not including the costs of finding other buses and paying for other drivers.

In May 2022, the General Services Department (GSD) reported under Budget Memo 125 to the Budget and Finance Committee (<https://cao.lacity.org/budgetmemos.htm>) that a total of 340 catalytic converters had been stolen from City vehicles at City yards and shops since Fiscal Year 2019-20, and that the cost of replacing these stolen catalytic converters totaled approximately \$653,000.

To mitigate future thefts, the GSD further reported that it had initiated several actions, including:

- Installing anti-theft devices on 420 of 600 vehicles parked at locations that are a high risk for theft with the cost of each device ranging from \$350 to \$480 depending on the size of the catalytic converter.
- Using a specialty marker on catalytic converters to identify them as belonging to the City if they are stolen and later recovered.
- Enhancing security at the 7<sup>th</sup> Street Maintenance Facility as follows:
  - Installing alarms for the 7<sup>th</sup> Street Technical Services building and sensors across the fence line of the facility to notify LAPD of illegal activity.
  - Meeting regularly with LAPD to review additional protocols and measure to strengthen security.

The Budget and Finance Committee subsequently recommended and the City Council approved in the Fiscal Year 2022-23 Adopted Budget an additional \$456,620 for the installation of Video Surveillance Notification Systems at the 7<sup>th</sup> Street Maintenance Facility and the 12201 Sharman Way yard.

The following provides further background on each of the bills:

***AB 1740 (Muratsuchi)*** would require a core recycler who accepts a catalytic converter for recycling to maintain a written record that contains, in addition to the vehicle identification number under existing law, the year, make, and model of the vehicle from which the catalytic converter was removed. The bill would also prohibit a core recycler from entering into a transaction to purchase or receive a catalytic converter from a person that is not a commercial enterprise or owner of the vehicle from which the catalytic converter was removed.

***AB 2407 (O'Donnell)*** would require a core recycler to report specified information collected about the purchase and sale of catalytic converters to the chief of police or the sheriff, as prescribed, and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system. The bill would also require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for 2 years. The bill would limit the inspection or seizure of a thumbprint to that performed by law enforcement pursuant to a criminal search warrant based upon probable cause. Lastly, the bill would encourage local law enforcement agencies to report thefts of catalytic converters that have occurred within their jurisdiction to a specified theft alert system.

***SB 1087 (Gonzalez)*** would require a traceable method of payment for catalytic converters. It provides that the exemption for catalytic converters received pursuant to a written agreement is only valid if the written agreement also includes a regularly updated log or record describing each catalytic converter received under the agreement. The bill prohibits a core recycler from purchasing a catalytic converter from anybody other than certain specified sellers, including an automobile dismantler, and automotive repair dealer, or an individual possessing documentation, as specified, that they are the lawful owner of the catalytic converter. The bill further prohibits any person from purchasing a used catalytic converter from anybody other than certain specified sellers, including an automobile dismantler, an automotive repair dealer, or an individual possessing documentation that they are the lawful owner of the catalytic converter.

DEPARTMENTS NOTIFIED

None

BILL STATUS

***AB 1740 (Muratsuchi)***

06/14/22      Approved by the Senate Committee on Business, Professions, and Economic Development and referred to the Senate Committee on Appropriations.

***AB 2407 (O'Donnell)***

06/28/22      Approved by the Senate Committee on Business, Professions, and Economic Development.

06/29/22      Approved by the Senate Committee on Public Safety and referred to the Senate Committee on Appropriations.

***SB 1087 (Gonzalez)***

06/21/22      Approved by the Assembly Committee on Business and Professions.

06/28/22      Approved by the Assembly Committee on Public Safety and referred to the Assembly Committee on Appropriations.

*CD Fields*

Christopher Fields

Analyst

Attachment:    1. Resolution (Lee – Krekorian)  
                     2. AB 1740 (Muratsuchi)  
                     3. AB 2407 (O'Donnell)  
                     4. SB 1087 (Gonzalez)

RESOLUTION **RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS**

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, catalytic converters are devices that reduce pollution-causing emissions on all vehicles produced in the United States since 1975, utilizing precious metals inside the device as catalysts to help reduce contaminants from the vehicle's exhaust; and

WHEREAS, the prices of metals such as rhodium, platinum, and palladium inside of catalytic converters have increased dramatically in the last few years, and, as such, according to the National Insurance Crime Bureau, there has been a ten-fold increase in catalytic converter thefts since 2018, with more than 14,000 reported catalytic converters stolen in 2020; and

WHEREAS, currently there are three bills, AB 1740 (Muratsuchi), AB 2407 (O'Donnell) and SB 1087 (Gonzalez), which are pending in the State Legislature; and

WHEREAS, AB 1740 would require a core recycler who accepts catalytic converters for recycling purposes to maintain a written record that contains the year, make, and model of the vehicle from which the catalytic converter was removed, and prohibits a core recycler from entering into a transaction to purchase or receive a catalytic converter from a person that is not a commercial enterprise or owner of the vehicle from which the catalytic converter was removed; and

WHEREAS, AB 2407 would require a core recycler to report specified information collected about the purchase and sale of catalytic converters to local law enforcement and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system, as well as would require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for 2 years, the inspection or seizure of which would be limited a criminal search warrant based on probable cause; and

WHEREAS, SB 1087 would require a traceable method of payment for catalytic converters, provide that the exemption for catalytic converters received pursuant to a written agreement is only valid if the written agreement also includes a regularly updated log or record describing each catalytic converter received under the agreement, and prohibit a core recycler or any person from purchasing a catalytic converter from anybody other than certain specified sellers; and


WHEREAS, the City of Los Angeles should support these bills inasmuch as they seek to strengthen the laws governing the sale of used catalytic converters, making it more difficult for thieves to profit from selling stolen converters;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program support for AB 1740 (Muratsuchi), AB 2407 (O'Donnell) and SB 1087 (Gonzalez), which would seek to strengthen the laws governing the sale of used catalytic converters, thereby assisting law enforcement in reducing thefts and discouraging the commission of the crime.

PRESENTED BY:

  
JOHN S. LEE  
Councilmember, 12<sup>th</sup> District

SECONDED BY:

  
Paul Krekorian

JUN 28 2022

cf

JUN 28 2022

ORIGINAL

AMENDED IN SENATE JUNE 21, 2022

AMENDED IN SENATE JUNE 8, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1740**

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**Introduced by Assembly Member Muratsuchi**

January 31, 2022

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An act to amend Section 21610 of the Business and Professions Code, relating to secondhand goods.

LEGISLATIVE COUNSEL'S DIGEST

AB 1740, as amended, Muratsuchi. Catalytic converters.

Existing law requires a core recycler, as defined, who accepts a catalytic converter for recycling to maintain a written record of specified information regarding the transaction, including the item type and quantity, amount paid for the catalytic converter, an identification number, if any, and the vehicle identification number, for not less than 2 years. Existing law makes it a crime to violate these requirements.

This bill would require a core recycler to include additional information in the written record, including the year, make, and model of the vehicle from which the catalytic converter was removed and a copy of the title of the vehicle from which the catalytic converter was removed. The bill would prohibit a core recycler from entering into a transaction to purchase or receive a catalytic converter from a person that is not a commercial enterprise, as defined, or a verifiable owner of the vehicle from which the catalytic converter was removed, as specified, and would make other conforming changes.

Existing law prohibits a core recycler from providing payment for a catalytic converter unless specified requirements are met. Under existing

law, those requirements do not apply to a core recycler that buys used catalytic converters, transmissions, or other parts removed from a vehicle if the core recycler and the seller have a written agreement for the transaction.

This bill would require the written agreement to include a log or other record of all catalytic converters received pursuant to the agreement that describes each catalytic converter with sufficient particularity so that each of those catalytic converters in the core recycler's inventory can reasonably be matched to its description in the agreement.

By imposing new requirements on core recyclers, the violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 21610 of the Business and Professions
- 2 Code is amended to read:
- 3 21610. (a) For the purposes of this section, the following terms
- 4 have the following meanings:
- 5 (1) "Core recycler" means a person or business, including a
- 6 recycler or junk dealer, that buys used individual catalytic
- 7 converters, transmissions, or other parts previously removed from
- 8 a vehicle. A person or business that buys a vehicle that may contain
- 9 these parts is not a core recycler.
- 10 (2) "Commercial enterprise" includes any of the following:
- 11 (A) An automobile dismantler licensed pursuant to Chapter 3
- 12 (commencing with Section 11500) of Division 5 of the Vehicle
- 13 Code.
- 14 (B) A core recycler that maintains a fixed place of business for
- 15 the purpose of obtaining catalytic converters pursuant to this
- 16 section.

1 (C) A motor vehicle manufacturer, dealer, or lessor-retailer  
2 licensed pursuant to Division 5 (commencing with Section 11100)  
3 of the Vehicle Code.

4 (D) An automotive repair dealer licensed pursuant to Chapter  
5 20.3 (commencing with Section 9880) of Division 3.

6 (E) Any other licensed business that may reasonably generate,  
7 possess, or sell used catalytic converters.

8 (b) A core recycler who accepts a catalytic converter for  
9 recycling shall maintain a written record that contains all of the  
10 following:

11 (1) The place and date of each sale or purchase of a catalytic  
12 converter made in the conduct of their business as a core recycler.

13 (2) The name, valid driver's license number, and state of issue,  
14 or California-issued identification number, of the seller of the  
15 catalytic converter and the vehicle license number, including state  
16 of issue of a motor vehicle used in transporting the catalytic  
17 converter to the core recycler's place of business. If the seller is a  
18 commercial enterprise, the written record shall include the name,  
19 physical business address, business telephone number, and the  
20 business license number or tax identification number of the  
21 commercial enterprise.

22 (3) A description of the catalytic converters purchased or sold,  
23 including the item type and quantity, amount paid for the catalytic  
24 converter, and identification number, if any, and the year, make,  
25 model, and vehicle identification number of the vehicle from which  
26 the catalytic converter was removed.

27 (4) A statement indicating either that the seller of the catalytic  
28 converter is the owner of the catalytic converter, or the name of  
29 the person from whom the seller obtained the catalytic converter,  
30 including the business, if applicable, as shown on a signed transfer  
31 document.

32 (5) If applicable pursuant to subdivision (i), a copy of the title  
33 of the vehicle from which the catalytic converter accepted was  
34 removed that shows the vehicle identification number matches the  
35 number permanently marked on the catalytic converter.

36 (c) A core recycler engaged in the selling or shipping of used  
37 catalytic converters to other recyclers or smelters shall retain  
38 information on the sale that includes all of the following:

39 (1) The name and address of each person to whom the catalytic  
40 converter is sold or disposed of.

1 (2) The quantity of catalytic converters being sold or shipped.

2 (3) The amount that was paid for the catalytic converters sold  
3 in the transaction.

4 (4) The date of the transaction.

5 (d) A core recycler shall not provide payment for a catalytic  
6 converter unless all of the following requirements are met:

7 (1) The payment is made by check and provided to the seller  
8 by either of the following:

9 (A) (i) Except as provided in clause (ii), mailed to the seller at  
10 the address provided pursuant to paragraph (3).

11 (ii) For a seller that is a commercial enterprise, mailed to the  
12 seller's business address.

13 (B) (i) Except as provided in clause (ii), collected by the seller  
14 from the recycler on the third business day after the date of sale.

15 (ii) A seller that is a commercial enterprise may receive  
16 immediate payment by check or by debit card or credit card.

17 (2) At the time of sale, the core recycler obtains a clear  
18 photograph or video of the seller.

19 (3) (A) Except as provided in subparagraph (B), the core  
20 recycler obtains a copy of the valid driver's license of the seller  
21 or the seller's agent containing a photograph and an address of the  
22 seller or the seller's agent, or a copy of a state or federal  
23 government-issued identification card containing a photograph  
24 and an address of the seller or the seller's agent.

25 (B) If the seller prefers to have the check for the catalytic  
26 converter mailed to an alternative address, other than a post office  
27 box, the core recycler shall obtain a copy of a driver's license or  
28 identification card described in subparagraph (A) and a gas or  
29 electric utility bill addressed to the seller at the alternative address  
30 with a payment due date no more than two months prior to the  
31 date of sale. For the purpose of this subparagraph, "alternative  
32 address" means an address that is different from the address  
33 appearing on the seller's driver's license or identification card.

34 (4) The core recycler obtains a clear photograph or video of the  
35 catalytic converter being sold. If applicable pursuant to subdivision  
36 (i), the photograph or video shall capture the permanent marking  
37 of the vehicle identification number.

38 (5) At the time of sale, the core recycler obtains a written  
39 statement from the seller indicating how the seller obtained the  
40 catalytic converter.



(e) The requirements of subdivision (d) shall not apply to a core recycler that buys used catalytic converters, transmissions, or other parts removed from a vehicle if the core recycler and the seller have a written agreement for the transaction, provided that the written agreement includes a log or other regularly updated record of all catalytic converters received pursuant to the agreement that describes each catalytic converter with sufficient particularity, including any identification numbers or markings, so that each of those catalytic converters in the core recycler's inventory can reasonably be matched to its description in the agreement.

(f) Notwithstanding subdivision (b), core recyclers accepting catalytic converters from commercial enterprises who hold a written agreement with a business that sells catalytic converters for recycling purposes are required to collect only the following information:

(1) Name of seller or agent acting on behalf of the seller.

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

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

(4) Date of transaction.

(5) Number of catalytic converters received in the course of the transaction.

(6) Amount of money that was paid for catalytic converters in the course of the transaction.

(7) A copy of the written agreement.

(g) A core recycler shall keep and maintain the information required pursuant to this section for not less than two years.

(h) A core recycler shall make the information required pursuant to this section available for inspection by local law enforcement upon demand.

(i) (1) A core recycler shall not enter into a transaction to purchase or receive a catalytic converter from a person that is not a commercial enterprise or the verifiable owner of the vehicle from which the catalytic converter was removed.

(2) When a core recycler purchases or receives a catalytic converter from the ~~owner~~ owner, *who is not a commercial enterprise*, of the vehicle from which the catalytic converter was removed, the core recycler shall verify both of the following:

1 (A) The catalytic converter is permanently marked with a vehicle  
2 identification ~~number~~. *number prior to the owner presenting the*  
3 *catalytic converter to the core recycler for sale. A core recycler*  
4 *shall not permanently mark a catalytic converter for the purpose*  
5 *of satisfying this requirement.*

6 (B) The owner of the vehicle holds title to the vehicle with a  
7 vehicle identification number matching the number permanently  
8 marked on the catalytic converter subject to the transaction.

9 (j) A person who makes, or causes to be made, a false or  
10 fictitious statement regarding any information required pursuant  
11 to this section is guilty of a misdemeanor.

12 (k) A person who violates the requirements of this section is  
13 guilty of a misdemeanor.

14 (l) Upon conviction, a person who knowingly and willfully  
15 violates the requirements of this section shall be punished as  
16 follows:

17 (1) For a first conviction, by a fine of one thousand dollars  
18 (\$1,000).

19 (2) (A) For a second conviction, by a fine of not less than two  
20 thousand dollars (\$2,000).

21 (B) In addition to the fine imposed pursuant to subparagraph  
22 (A), the court may order the defendant to cease engaging in the  
23 business of a core recycler for a period not to exceed 30 days.

24 (3) (A) For a third and subsequent conviction, by a fine of not  
25 less than four thousand dollars (\$4,000).

26 (B) In addition to the fine imposed pursuant to subparagraph  
27 (A), the court shall order the defendant to cease engaging in the  
28 business of a core recycler for a period not less than one year.

29 (m) The provisions of this section apply to core recyclers and  
30 do not apply to a subsequent purchaser of a catalytic converter  
31 who is not a core recycler. Other than subdivisions (f) to (k),  
32 inclusive, this section does not apply to a core recycler who holds  
33 a written agreement with a commercial enterprise regarding the  
34 transactions, provided that the written agreement includes a log  
35 or other regularly updated record of all catalytic converters received  
36 pursuant to the agreement that describes each catalytic converter  
37 with sufficient particularity, including any identification numbers  
38 or markings, so that each of those catalytic converters in the core  
39 recycler's inventory can reasonably be matched to its description  
40 in the agreement.

1     SEC. 2. No reimbursement is required by this act pursuant to  
2     Section 6 of Article XIII B of the California Constitution because  
3     the only costs that may be incurred by a local agency or school  
4     district will be incurred because this act creates a new crime or  
5     infraction, eliminates a crime or infraction, or changes the penalty  
6     for a crime or infraction, within the meaning of Section 17556 of  
7     the Government Code, or changes the definition of a crime within  
8     the meaning of Section 6 of Article XIII B of the California  
9     Constitution.

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AMENDED IN SENATE JUNE 8, 2022  
AMENDED IN ASSEMBLY MARCH 10, 2022  
CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2407**

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**Introduced by Assembly Member O'Donnell**

February 17, 2022

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An act to amend Section 21610 of the Business and Professions Code and to amend Section 11199.5 of the Penal Code, relating to vehicle tampering.

LEGISLATIVE COUNSEL'S DIGEST

AB 2407, as amended, O'Donnell. Vehicle tampering: theft of catalytic converters.

(1) Existing law imposes various requirements on a core recycler, as defined. Existing law requires a core recycler who accepts a catalytic converter for the purposes of recycling or who sells or ships used catalytic converters to a recycler or smelter to maintain specified information regarding the purchase and sale of the catalytic converters for not less than 2 years and to make that information available for inspection upon the request of law enforcement. Existing law provides that a person who violates these requirements is guilty of a misdemeanor.

This bill would require a core recycler to report the information collected to the chief of police or the sheriff, as prescribed, and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system. The bill would also require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for a period of ~~2 years~~ years, *except as specified*. The bill would limit the inspection or seizure of a

thumbprint to that performed by law enforcement pursuant to a criminal search warrant based upon probable cause. By expanding the scope of a crime, this bill would impose a state-mandated local program.

(2) Existing law encourages local law enforcement agencies to report thefts of commodity metals that have occurred within their jurisdiction to the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc., to ensure that persons using the system receive timely and thorough information regarding metal thefts.

This bill would additionally encourage local law enforcement agencies to report thefts of catalytic converters that have occurred within their jurisdiction to that theft alert system.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 21610 of the Business and Professions  
2 Code is amended to read:

3 21610. (a) For the purposes of this section, the term “core  
4 recycler” means a person or business, including a recycler or junk  
5 dealer, that buys used individual catalytic converters, transmissions,  
6 or other parts previously removed from a vehicle. A person or  
7 business that buys a vehicle that may contain these parts is not a  
8 core recycler.

9 (b) (1) A core recycler who accepts a catalytic converter for  
10 recycling shall maintain a written record that contains all of the  
11 following:

12 (A) The place and date of each sale or purchase of a catalytic  
13 converter made in the conduct of their business as a core recycler.

14 (B) The name, valid driver’s license number, and state of issue,  
15 or California-issued identification number, of the seller of the  
16 catalytic converter and the vehicle license number, including state  
17 of issue of a motor vehicle used in transporting the catalytic  
18 converter to the core recycler’s place of business. If the seller is a

1 business, the written record shall include the name, address, and  
2 telephone number of the business.

3 (C) A description of the catalytic converters purchased or sold,  
4 including the item type and quantity, amount paid for the catalytic  
5 converter, and identification number, if any, and the vehicle  
6 identification number.

7 (D) A statement indicating either that the seller of the catalytic  
8 converter is the owner of the catalytic converter, or the name of  
9 the person from whom they have obtained the catalytic converter,  
10 including the business, if applicable, as shown on a signed transfer  
11 document.

12 (2) A core recycler who accepts a catalytic converter for  
13 recycling shall report the information required in paragraph (1) to  
14 the chief of police or to the sheriff in the same manner as described  
15 in Section 21628.

16 (c) A core recycler engaged in the selling or shipping of used  
17 catalytic converters to other recyclers or smelters shall retain  
18 information on the sale that includes all of the following:

19 (1) The name and address of each person to whom the catalytic  
20 converter is sold or disposed of.

21 (2) The quantity of catalytic converters being sold or shipped.

22 (3) The amount that was paid for the catalytic converters sold  
23 in the transaction.

24 (4) The date of the transaction.

25 (d) A core recycler shall not provide payment for a catalytic  
26 converter unless all of the following requirements are met:

27 (1) The payment is made by check and provided to the seller  
28 by either of the following:

29 (A) (i) Except as provided in clause (ii), mailed to the seller at  
30 the address provided pursuant to paragraph (3).

31 (ii) For a seller that is a business, mailed to the seller's business  
32 address.

33 (B) (i) Except as provided in clause (ii), collected by the seller  
34 from the recycler on the third business day after the date of sale.

35 (ii) A seller that is a business may receive immediate payment.  
36 A seller that is a business that has a contract with a core recycler  
37 or a seller that is a licensed auto dismantler may receive immediate  
38 payment by check or by debit card or credit card.

39 (2) At the time of sale, the core recycler obtains a clear  
40 photograph or video of the seller.

1 (3) (A) Except as provided in subparagraph (B), the core  
2 recycler obtains a copy of the valid driver's license of the seller  
3 or the seller's agent containing a photograph and an address of the  
4 seller or the seller's agent, or a copy of a state or federal  
5 government issued identification card containing a photograph  
6 and an address of the seller or the seller's agent.

7 (B) If the seller prefers to have the check for the catalytic  
8 converter mailed to an alternative address, other than a post office  
9 box, the core recycler shall obtain a copy of a driver's license or  
10 identification card described in subparagraph (A) and a gas or  
11 electric utility bill addressed to the seller at the alternative address  
12 with a payment due date no more than two months prior to the  
13 date of sale. For the purpose of this subparagraph, "alternative  
14 address" means an address that is different from the address  
15 appearing on the seller's driver's license or identification card.

16 (4) The core recycler obtains a clear photograph or video of the  
17 catalytic converter being sold.

18 (5) At the time of sale, the core recycler obtains a written  
19 statement from the seller indicating how the seller obtained the  
20 catalytic converter.

21 (6) (A) The core recycler obtains a thumbprint of the seller, as  
22 prescribed by the Department of Justice. The core recycler shall  
23 keep this thumbprint with the information obtained under this  
24 subdivision and shall preserve the thumbprint in hard copy or  
25 electronic format for a period of two years after the date of sale.

26 (B) Inspection or seizure of the thumbprint shall only be  
27 performed by a peace officer acting within the scope of the peace  
28 officer's authority in response to a criminal search warrant signed  
29 by a magistrate and served on the core recycler by the peace officer.  
30 Probable cause for the issuance of that warrant shall be based upon  
31 a theft specifically involving the transaction for which the  
32 thumbprint was given.

33 (C) *This paragraph does not apply to a seller who is any of the*  
34 *following:*

35 (i) *An automobile dismantler, as defined in Section 220 of the*  
36 *Vehicle Code.*

37 (ii) *A core recycler that maintains a fixed place of business and*  
38 *has obtained the catalytic converter pursuant to this section.*

1     (iii) *A motor vehicle manufacturer, dealer, or lessor-retailer*  
2     *licensed pursuant to Division 5 (commencing with Section 11100)*  
3     *of the Vehicle Code.*

4     (iv) *An automotive repair dealer licensed pursuant to Chapter*  
5     *20.3 (commencing with Section 9880) of Division 3.*

6     (v) *Any other licensed business that may reasonably generate,*  
7     *possess, or sell used catalytic converters.*

8     (e) The requirements of subdivision (d) shall not apply to a core  
9     recycler that buys used catalytic converters, transmissions, or other  
10    parts removed from a vehicle if the core recycler and the seller  
11    have a written agreement for the transaction.

12    (f) Core recyclers accepting catalytic converters from licensed  
13    auto dismantlers or from recyclers who hold a written agreement  
14    with a business that sells catalytic converters for recycling purposes  
15    are required to collect only the following information:

16    (1) Name of seller or agent acting on behalf of the seller.

17    (2) Date of transaction.

18    (3) Number of catalytic converters received in the course of the  
19    transaction.

20    (4) Amount of money that was paid for catalytic converters in  
21    the course of the transaction.

22    (g) (1) A core recycler shall request to receive theft alert  
23    notifications regarding the theft of catalytic converters in the core  
24    recycler's geographic region from the theft alert system maintained  
25    by the Institute of Scrap Recycling Industries, Inc., or its successor.

26    (2) The requirement in paragraph (1) does not apply if the  
27    Institute of Scrap Recycling Industries, Inc., or its successor,  
28    requires payment for use of the theft alert system.

29    (h) A core recycler shall keep and maintain the information  
30    required pursuant to this section for not less than two years.

31    (i) A core recycler shall make the information required pursuant  
32    to this section available for inspection by local law enforcement  
33    upon demand.

34    (j) A person who makes, or causes to be made, a false or  
35    fictitious statement regarding any information required pursuant  
36    to this section is guilty of a misdemeanor.

37    (k) A person who violates the requirements of this section is  
38    guilty of a misdemeanor.



1 (l) Upon conviction, a person who knowingly and willfully  
2 violates the requirements of this section shall be punished as  
3 follows:

4 (1) For a first conviction, by a fine of one thousand dollars  
5 (\$1,000).

6 (2) (A) For a second conviction, by a fine of not less than two  
7 thousand dollars (\$2,000).

8 (B) In addition to the fine imposed pursuant to subparagraph  
9 (A), the court may order the defendant to cease engaging in the  
10 business of a core recycler for a period not to exceed 30 days.

11 (3) (A) For a third and subsequent conviction, by a fine of not  
12 less than four thousand dollars (\$4,000).

13 (B) In addition to the fine imposed pursuant to subparagraph  
14 (A), the court shall order the defendant to cease engaging in the  
15 business of a core recycler for a period not less than one year.

16 (m) The provisions of this section apply to core recyclers and  
17 do not apply to a subsequent purchaser of a catalytic converter  
18 who is not a core recycler. Other than subdivision (f), this section  
19 does not apply to a core recycler who holds a written agreement  
20 with a business or recycler regarding the transactions.

21 SEC. 2. Section 11199.5 of the Penal Code is amended to read:

22 11199.5. Local law enforcement agencies are encouraged to  
23 report thefts of commodity metals, including, but not limited to,  
24 ferrous metal, copper, brass, aluminum, nickel, stainless steel, and  
25 alloys, and thefts of catalytic converters that have occurred within  
26 their jurisdiction to the theft alert system maintained by the Institute  
27 of Scrap Recycling Industries, Inc., or its successor, in order to  
28 ensure that persons using that system receive timely and thorough  
29 information regarding metal and catalytic converter thefts. The  
30 institute or its successor shall not sell subscribers' information  
31 received pursuant to this section to third parties.

32 SEC. 3. No reimbursement is required by this act pursuant to  
33 Section 6 of Article XIII B of the California Constitution because  
34 the only costs that may be incurred by a local agency or school  
35 district will be incurred because this act creates a new crime or  
36 infraction, eliminates a crime or infraction, or changes the penalty  
37 for a crime or infraction, within the meaning of Section 17556 of  
38 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.

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AMENDED IN ASSEMBLY JUNE 23, 2022

AMENDED IN SENATE MAY 19, 2022

AMENDED IN SENATE APRIL 28, 2022

AMENDED IN SENATE APRIL 6, 2022

**SENATE BILL**

**No. 1087**

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**Introduced by Senator Gonzalez  
(Coauthor: Senator Portantino)**

February 15, 2022

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An act to amend Section 21610 of the Business and Professions Code, and to add Section 10852.5 to the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1087, as amended, Gonzalez. Vehicles: catalytic converters.

Existing law requires a core recycler that accepts, ships, or sells used catalytic converters to maintain specified information regarding the purchase and sale of the catalytic converters. Existing law prohibits a core recycler from providing payment for a catalytic converter unless the payment is made by check, the check is mailed or provided no earlier than 3 days after the date of sale, unless the seller is a business, and the core recycler obtains a photograph or video of the seller, a written statement regarding the origin of the catalytic converter, and certain other identifying information, as specified. Existing law exempts from this requirement a core recycler that buys used catalytic converters, transmissions, or other parts removed from a vehicle if the core recycler and the seller have a written agreement for the transaction. Existing law requires a core recycler to provide this information for inspection by local law enforcement upon demand. A violation of these provisions is punishable as a misdemeanor.

The bill would prohibit any person from purchasing a used catalytic converter from anybody other than certain specified sellers, including an automobile dismantler, an automotive repair dealer, or an individual possessing documentation, as specified, that they are the lawful owner of the catalytic converter. A violation of this provision would be an infraction, punishable by a fine, as specified.

The bill would also prohibit a core recycler from purchasing a catalytic converter from anybody other than these specified sellers.

By creating a new infraction and expanding the application of an existing misdemeanor, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 21610 of the Business and Professions  
2 Code is amended to read:

3 21610. (a) For the purposes of this section, the term “core  
4 recycler” means a person or business, including a recycler or junk  
5 dealer, that buys used individual catalytic converters, transmissions,  
6 or other parts previously removed from a vehicle. A person or  
7 business that buys a vehicle that may contain these parts is not a  
8 core recycler.

9 (b) A core recycler who accepts a catalytic converter for  
10 recycling shall maintain a written record that contains all of the  
11 following:

12 (1) The place and date of each sale or purchase of a catalytic  
13 converter made in the conduct of their business as a core recycler.

14 (2) The name, valid driver’s license number, and state of issue,  
15 or California-issued identification number, of the seller of the  
16 catalytic converter and the vehicle license number, including state  
17 of issue of a motor vehicle used in transporting the catalytic  
18 converter to the core recycler’s place of business. If the seller is a

1 business, the written record shall include the name, address, and  
2 telephone number of the business.

3 (3) A description of the catalytic converters purchased or sold,  
4 including the item type and quantity, amount paid for the catalytic  
5 converter, and identification number, if any, and the vehicle  
6 identification number.

7 (4) A statement indicating either that the seller of the catalytic  
8 converter is the owner of the catalytic converter, or the name of  
9 the person from whom they have obtained the catalytic converter,  
10 including the business, if applicable, as shown on a signed transfer  
11 document.

12 (c) A core recycler engaged in the selling or shipping of used  
13 catalytic converters to other recyclers or smelters shall retain  
14 information on the sale that includes all of the following:

15 (1) The name and address of each person to whom the catalytic  
16 converter is sold or disposed of.

17 (2) The quantity of catalytic converters being sold or shipped.

18 (3) The amount that was paid for the catalytic converters sold  
19 in the transaction.

20 (4) The date of the transaction.

21 (d) A core recycler shall not provide payment for a catalytic  
22 converter unless all of the following requirements are met:

23 (1) The payment is made by check and provided to the seller  
24 by either of the following:

25 (A) (i) Except as provided in clause (ii), mailed to the seller at  
26 the address provided pursuant to paragraph (3).

27 (ii) For a seller that is a business, mailed to the seller's business  
28 address.

29 (B) (i) Except as provided in clause (ii), collected by the seller  
30 from the recycler on the third business day after the date of sale.

31 (ii) A seller that is a business may receive immediate payment.  
32 A seller that is a business that has a contract with a core recycler  
33 or a seller that is a licensed auto dismantler may receive immediate  
34 payment by check or by debit card or credit card.

35 (2) At the time of sale, the core recycler obtains a clear  
36 photograph or video of the seller.

37 (3) (A) Except as provided in subparagraph (B), the core  
38 recycler obtains a copy of the valid driver's license of the seller  
39 or the seller's agent containing a photograph and an address of the  
40 seller or the seller's agent, or a copy of a state or federal

1 government issued identification card containing a photograph  
2 and an address of the seller or the seller's agent.

3 (B) If the seller prefers to have the check for the catalytic  
4 converter mailed to an alternative address, other than a post office  
5 box, the core recycler shall obtain a copy of a driver's license or  
6 identification card described in subparagraph (A) and a gas or  
7 electric utility bill addressed to the seller at the alternative address  
8 with a payment due date no more than two months prior to the  
9 date of sale. For the purpose of this subparagraph, "alternative  
10 address" means an address that is different from the address  
11 appearing on the seller's driver's license or identification card.

12 (4) The core recycler obtains a clear photograph or video of the  
13 catalytic converter being sold.

14 (5) At the time of sale, the core recycler obtains a written  
15 statement from the seller indicating how the seller obtained the  
16 catalytic converter.

17 (6) The seller is a person described in Section 10852.5 of the  
18 Vehicle Code.

19 (e) The requirements of subdivision (d) shall not apply to a core  
20 recycler that buys used catalytic converters, transmissions, or other  
21 parts removed from a vehicle if the core recycler and the seller  
22 have a written agreement for the transaction.

23 (f) Core recyclers accepting catalytic converters from licensed  
24 auto dismantlers or from recyclers who hold a written agreement  
25 with a business that sells catalytic converters for recycling purposes  
26 are required to collect only the following information:

27 (1) Name of seller or agent acting on behalf of the seller.

28 (2) Date of transaction.

29 (3) Number of catalytic converters received in the course of the  
30 transaction.

31 (4) Amount of money that was paid for catalytic converters in  
32 the course of the transaction.

33 (g) A core recycler shall keep and maintain the information  
34 required pursuant to this section for not less than two years.

35 (h) A core recycler shall make the information required pursuant  
36 to this section available for inspection by local law enforcement  
37 upon demand.

38 (i) A person who makes, or causes to be made, a false or  
39 fictitious statement regarding any information required pursuant  
40 to this section is guilty of a misdemeanor.

1 (j) A person who violates the requirements of this section is  
2 guilty of a misdemeanor.

3 (k) Upon conviction, a person who knowingly and willfully  
4 violates the requirements of this section shall be punished as  
5 follows:

6 (1) For a first conviction, by a fine of one thousand dollars  
7 (\$1,000).

8 (2) (A) For a second conviction, by a fine of not less than two  
9 thousand dollars (\$2,000).

10 (B) In addition to the fine imposed pursuant to subparagraph  
11 (A), the court may order the defendant to cease engaging in the  
12 business of a core recycler for a period not to exceed 30 days.

13 (3) (A) For a third and subsequent conviction, by a fine of not  
14 less than four thousand dollars (\$4,000).

15 (B) In addition to the fine imposed pursuant to subparagraph  
16 (A), the court shall order the defendant to cease engaging in the  
17 business of a core recycler for a period of no less than one year.

18 (l) The provisions of this section apply to core recyclers and do  
19 not apply to a subsequent purchaser of a catalytic converter who  
20 is not a core recycler. Other than subdivision (f), the provisions of  
21 this section do not apply to a core recycler who holds a written  
22 agreement with a business or recycler regarding the transactions.

23 SEC. 2. Section 10852.5 is added to the Vehicle Code, to read:

24 10852.5. (a) No person shall purchase a used catalytic  
25 converter, including for the purpose of dismantling, recycling, or  
26 smelting, except from any of the following:

27 (1) An automobile dismantler licensed pursuant to Chapter 3  
28 (commencing with Section 11500) of Division 5.

29 (2) A core recycler, as defined in Section 21610 of the Business  
30 and Professions Code, that maintains a fixed place of business and  
31 has obtained the catalytic converter pursuant to that section.

32 (3) A motor vehicle manufacturer, dealer, or lessor-retailer  
33 licensed pursuant to Division 5 (commencing with Section 11100).

34 (4) An automotive repair dealer licensed pursuant to Chapter  
35 20.3 (commencing with Section 9880) of Division 3 of the Business  
36 and Professions Code.

37 (5) Any other licensed business that may reasonably generate,  
38 possess, or sell used catalytic converters.

39 (6) An individual possessing documentation that they are the  
40 lawful owner of the used catalytic converter, including, but not

1 limited to, a certificate of title or registration identifying the person  
2 *that identifies the individual* as the legal or registered owner of the  
3 vehicle from which the catalytic converter was ~~detached that~~  
4 ~~matches detached, and that includes a vehicle identification number~~  
5 *that matches the vehicle identification number, and the date that*  
6 ~~the catalytic converter was removed from the vehicle as number~~  
7 permanently marked on the catalytic converter.

8 (b) As used in this section, the following terms have the  
9 following meanings:

10 (1) “Permanently marked” means prominently engraved, etched,  
11 or written in permanent ink on the exterior case of the catalytic  
12 converter.

13 (2) “Used catalytic converter” means a catalytic converter that  
14 has been previously installed on a vehicle and has been detached.  
15 It does not include a reconditioned or refurbished catalytic  
16 converter being sold at retail.

17 (c) A violation of this section is punishable as an infraction by  
18 a fine, as follows:

19 (1) For a first offense, by a fine of one thousand dollars (\$1,000).

20 (2) For a second offense, by a fine of two thousand dollars  
21 (\$2,000).

22 (3) For a third or subsequent offense, by a fine of four thousand  
23 dollars (\$4,000).

24 SEC. 3. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 the only costs that may be incurred by a local agency or school  
27 district will be incurred because this act creates a new crime or  
28 infraction, eliminates a crime or infraction, or changes the penalty  
29 for a crime or infraction, within the meaning of Section 17556 of  
30 the Government Code, or changes the definition of a crime within  
31 the meaning of Section 6 of Article XIII B of the California  
32 Constitution.