

SENATE BILL NO. 250—SENATORS OHRENSCHALL, NGUYEN
AND SPEARMAN

MARCH 9, 2023

Referred to Committee on Growth and Infrastructure

SUMMARY—Revises provisions relating to catalytic converters.
(BDR 43-31)

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

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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 a person from purchasing a used catalytic converter 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 1 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, distribution 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 1** provides that a violation of this prohibition is punishable by a fine of \$1,000 for the first offense, \$2,000 for the second offense or \$4,000 for any subsequent offense.

Existing law includes a catalytic converter in the definition of the term “scrap metal.” (NRS 647.017) **Section 6** of this bill prohibits a licensed scrap metal processor from purchasing 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 7** of this bill requires a scrap metal processor 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 7** 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 not less than 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 electronically to the local enforcement agency certain information relating to each purchase of scrap metal from certain persons. (NRS 647.0945) **Section 8** of this bill requires each such scrap metal processor to submit electronically to the local enforcement agency certain additional information if the scrap metal purchased is a used catalytic converter.

Existing law requires a scrap metal purchaser, for every purchase of scrap metal with a value of \$150 or more, to pay the seller only by check or electronic transfer of money. (NRS 647.098) **Section 9** 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 6**; 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 9** provides for an exception to these requirements for a scrap metal processor who holds a certain written agreement with a seller before purchasing a used catalytic converter.

Under existing law, a person who violates certain provisions governing scrap metal, including **sections 7 and 9**, is guilty of a misdemeanor. (NRS 647.143) **Section 10** of this bill provides instead that a person who violates any provision of **section 6, 7 or 9** 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 10** authorizes a court to also issue an injunction prohibiting the person from engaging in the business of a scrap metal processor.

Sections 3 and 4 of this bill define the terms "permanently marked" and "used catalytic converter," respectively, for the purposes of provisions governing scrap metal processors. **Section 5** of this bill makes a conforming change to indicate the proper placement of **sections 3 and 4** in the Nevada Revised Statutes.

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

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;*



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

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

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

13 2. *A person who violates any provision of subsection 1 is*
14 *guilty of a misdemeanor and shall be punished by:*

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

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

17 (c) *For a third or subsequent offense, a fine of \$4,000.*

18 3. *As used in this section:*

19 (a) *“Permanently marked” has the meaning ascribed to it in*
20 *section 3 of this act.*

21 (b) *“Used catalytic converter” has the meaning ascribed to it*
22 *in section 4 of this act.*

23 **Sec. 2.** Chapter 647 of NRS is hereby amended by adding
24 thereto the provisions set forth as sections 3 and 4 of this act.

25 **Sec. 3.** *“Permanently marked” means prominently engraved,*
26 *etched, welded, metal-stamped, acid-marked or otherwise*
27 *permanently displayed using a similarly reliable method of*
28 *imparting a lasting mark on the exterior case of a used catalytic*
29 *converter.*

30 **Sec. 4.** *“Used catalytic converter” means a catalytic*
31 *converter that has been previously installed on a vehicle and has*
32 *been removed. The term does not include a reconditioned or*
33 *refurbished catalytic converter being sold at retail.*

34 **Sec. 5.** NRS 647.010 is hereby amended to read as follows:

35 647.010 As used in this chapter, unless the context otherwise
36 requires, the words and terms defined in NRS 647.011 to 647.018,
37 inclusive, *and sections 3 and 4 of this act* have the meanings
38 ascribed to them in those sections.

39 **Sec. 6.** NRS 647.092 is hereby amended to read as follows:

40 647.092 1. A person shall not purchase scrap metal unless
41 that person:

42 (a) Possesses both a valid business license issued by the
43 State pursuant to chapter 76 of NRS and a valid business license
44 from the city or county, as applicable, in which the person purchases
45 scrap metal; and



1 ~~[2.]~~ (b) Has obtained all required authorizations to operate
2 from, or is otherwise registered with, the solid waste management
3 authority for the area in which the person purchases scrap metal.

4 2. A person who is authorized to purchase scrap metal
5 pursuant to subsection 1 shall not purchase a used catalytic
6 converter for any purpose, including, without limitation, to
7 dismantle, recycle or smelt, unless the person purchases the used
8 catalytic converter from:

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

10 (b) A scrap metal processor licensed pursuant to this section
11 who maintains a fixed place of business and has obtained the used
12 catalytic converter in accordance with the provisions of NRS
13 647.094 and 647.098;

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

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

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

26 **Sec. 7.** NRS 647.094 is hereby amended to read as follows:

27 647.094 1. ~~[Every]~~ Except as otherwise provided in
28 subsections 2 and 3, every scrap metal processor shall maintain in
29 his or her place of business a book or other permanent record in
30 which must be made, at the time of each purchase of scrap metal, a
31 record of the purchase that contains:

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

33 (b) The name or other identification of the person or employee
34 conducting the transaction on behalf of the scrap metal processor.

35 (c) A copy of the seller's valid:

36 (1) Personal identification card issued by this State or any
37 other state or territory of the United States;

38 (2) Driver's license issued by this State or any other state or
39 territory of the United States;

40 (3) United States military identification card; or

41 (4) Any form of identification which may serve as an
42 acceptable form of identification pursuant to NRS 237.200.

43 (d) The name, street, house number and date of birth listed on
44 the identification provided pursuant to paragraph (c) and a physical



1 description of the seller, including the seller's gender, height, eye
2 color and hair color.

3 (e) A photograph, video record or digital record of the seller.

4 (f) The fingerprint of the right index finger of the seller. If the
5 seller's right index finger is not available, the scrap metal processor
6 must obtain the fingerprint of one of the seller's remaining fingers
7 and thumbs.

8 (g) The license number , *including state of issue*, and general
9 description of the vehicle delivering the scrap metal that is being
10 purchased.

11 (h) A description of the scrap metal that is being purchased
12 which is consistent with the standards published and commonly
13 applied in the scrap metal industry.

14 (i) The price paid by the scrap metal processor for the scrap
15 metal.

16 (j) *If the scrap metal that is being purchased is a used catalytic*
17 *converter, the following additional information:*

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

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

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

24 (2) *If applicable, a copy of the title of the vehicle from*
25 *which the used catalytic converter was removed and which*
26 *includes a vehicle identification number that matches the vehicle*
27 *identification number permanently marked on the used catalytic*
28 *converter.*

29 (3) *The year, make, model and vehicle identification*
30 *number of the vehicle from which the used catalytic converter was*
31 *removed.*

32 (4) *A description of the used catalytic converter purchased,*
33 *including, without limitation, the item type, quantity and vehicle*
34 *identification number of the used catalytic converter.*

35 (5) *If the seller is a business entity, other than a scrap metal*
36 *processor, the additional following information:*

37 (I) *The physical business address;*

38 (II) *The business telephone number; and*

39 (III) *The business license number or tax identification*
40 *number of the business.*

41 2. *A scrap metal processor who purchases a used catalytic*
42 *converter from a business entity that holds a written agreement*
43 *with another business that sells used catalytic converters for*
44 *recycling purposes is required to maintain in his or her place of*
45 *business a book or other permanent record in which must be*



1 *made, at the time of each purchase, a record of the purchase that*
2 *contains:*

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

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

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

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

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

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

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

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

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

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

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

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

26 *4. All records kept pursuant to [subsection] subsections 1 , 2*
27 *and 3 must be [legibly] :*

28 *(a) Legibly written in the English language, if applicable [] ;*
29 *and*

30 *(b) Kept and maintained for not less than 2 years.*

31 ~~[3.]~~ *5. A scrap metal processor shall document each purchase*
32 *of scrap metal with a photograph or video recording which must be*
33 *retained on-site for not less than 60 days after the date of the*
34 *purchase.*

35 ~~[4.]~~ *6. All scrap metal purchased by the scrap metal processor*
36 *and the records created in accordance with [subsection] subsections*
37 *1, 2 and 3, including, but not limited to, any photographs or video*
38 *recordings, must at all times during ordinary hours of business be*
39 *open to the inspection of a prosecuting attorney or any peace officer.*

40 *7. All used catalytic converters purchased by the scrap metal*
41 *processor and the records made and maintained in accordance*
42 *with subsections 1, 2 and 3 must be made available at all times to a*
43 *local law enforcement agency upon demand.*



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

647.0945 1. A local law enforcement agency may establish an electronic reporting system or 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. An electronic reporting system established or utilized pursuant to this subsection must:

(a) Be electronically secure and accessible only to:

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

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

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

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

2. If a local law enforcement agency establishes an electronic reporting system or utilizes an existing electronic reporting system pursuant to subsection 1, each scrap metal processor that transacts business within the jurisdiction of the local law enforcement agency shall, before 12 p.m. of each business day, submit electronically to the local law enforcement agency or, if applicable, a designated third party the following information regarding each purchase of scrap metal conducted on the preceding day from a person who sold the scrap metal in his or her individual capacity:

(a) The name of the seller;

(b) The date of the purchase;

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

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

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

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

(g) The amount, in weight, of scrap metal purchased ~~and~~; *and*

(h) If the scrap metal purchased is a used catalytic converter, the following information:

(1) A statement written by the seller indicating:

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



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

4 ***(2) If applicable, a copy of the title of the vehicle from***
5 ***which the used catalytic converter was removed and which***
6 ***includes a vehicle identification number that matches the vehicle***
7 ***identification number permanently marked on the used catalytic***
8 ***converter;***

9 ***(3) The year, make, model and vehicle identification***
10 ***number of the vehicle from which the used catalytic converter was***
11 ***removed; and***

12 ***(4) A description of the used catalytic converter purchased***
13 ***or sold, including, without limitation, the item type, quantity and***
14 ***vehicle identification number of the used catalytic converter.***

15 3. If a scrap metal processor is required to submit information
16 to a local law enforcement agency or, if applicable, a designated
17 third party pursuant to subsection 2, the scrap metal processor shall
18 display prominently at the point of purchase a public notice, in a
19 form approved by the local law enforcement agency, describing the
20 information that the scrap metal processor is required to submit
21 electronically to the local law enforcement agency or, if applicable,
22 the designated third party.

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

26 5. If a local law enforcement agency establishes an electronic
27 reporting system or utilizes an existing electronic reporting system
28 to receive information pursuant to this section, the local law
29 enforcement agency shall, on or before January 15 of each odd-
30 numbered year, submit to the Director of the Legislative Counsel
31 Bureau for transmittal to the Legislature a report regarding the effect
32 of the electronic reporting system on the incidence of crime which
33 relates to the sale or purchase of scrap metal within the jurisdiction
34 of the law enforcement agency.

35 6. ~~The~~ ***Except as otherwise provided in paragraph (h) of***
36 ***subsection 2, the*** provisions of this section do not apply to the
37 purchase of scrap metal from a business entity.

38 7. The Division of Industrial Relations of the Department of
39 Business and Industry shall, in consultation with representatives
40 from local law enforcement agencies in this state and representatives
41 from the scrap metal industry, adopt regulations to ensure the
42 confidentiality of information which is reported and maintained
43 pursuant to this section, including, without limitation, regulations
44 providing for:

45 (a) The confidentiality of consumer information;



- 1 (b) The confidentiality of proprietary information;
- 2 (c) Equity of input into contractual terms;
- 3 (d) Contractual terms relating to disclaimers, indemnification
- 4 and the ownership of data by a designated third party;
- 5 (e) Oversight of a designated third party that handles, maintains
- 6 or has access to such information, including, without limitation, the
- 7 qualifications, equipment, procedures and background checks
- 8 required of a designated third party;
- 9 (f) The manner in which reported information may be used,
- 10 shared or disseminated; and
- 11 (g) The maintenance of reported information in relationship to
- 12 other data maintained by a law enforcement agency.

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

18 **Sec. 9.** NRS 647.098 is hereby amended to read as follows:

19 647.098 1. For each purchase of scrap metal with a value of
20 \$150 or more by a scrap metal processor, the scrap metal processor
21 must pay the seller only by check or electronic transfer of money.
22 For payments made by check to a seller who represents a business,
23 the check must be made payable to the business using the name of
24 the business. A scrap metal processor shall not conduct more than
25 one cash transaction of less than \$150 with the same seller on the
26 same day.

27 2. A scrap metal processor shall provide a receipt to the seller
28 on-site at the time of the purchase of scrap metal by the scrap metal
29 processor. The receipt must include, without limitation, the
30 following information:

- 31 (a) The date, time and place of the purchase;
- 32 (b) An identifying description and weight of the scrap metal that
- 33 is being purchased;
- 34 (c) The price paid by the scrap metal processor for the scrap
- 35 metal;
- 36 (d) A copy of the personal identification provided pursuant to
- 37 paragraph (c) of subsection 1 of NRS 647.094; and
- 38 (e) The license number of the vehicle delivering the scrap metal
- 39 that is being purchased.

40 **3. *Except as otherwise provided in subsection 4, a scrap metal***
41 ***processor shall not provide payment for a used catalytic converter***
42 ***unless:***

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



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

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

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

9 (b) The seller is a person described in subsection 2 of NRS
10 647.092; and

11 (c) The scrap metal processor obtains:

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

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

14 (II) Used catalytic converter being sold; and

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

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

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

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

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


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

34 4. The provisions of subsection 3 do not apply to a scrap
35 metal processor who buys a used catalytic converter if the scrap
36 metal processor and the seller have a written agreement for the
37 transaction which includes:

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

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



- 1 **Sec. 10.** NRS 647.143 is hereby amended to read as follows:
2 647.143 **1.** Unless a greater penalty is provided pursuant to
3 specific statute, a person who violates any provision of NRS
4 **647.092**, 647.094, 647.096 or 647.098 is guilty of a misdemeanor 
5 **and shall be punished:**
6 **(a) For the first offense, by a fine of \$1,000;**
7 **(b) For a second offense, by a fine of 2,000; or**
8 **(c) For the third and subsequent offense, by a fine of not less**
9 **than \$4,000.**
10 **2. In addition to the provisions of subsection 1, the court may**
11 **issue an injunction prohibiting a person from engaging in the**
12 **business of a scrap metal processor:**
13 **(a) For the first or second offense, for a period of not less than**
14 **30 days.**
15 **(b) For a third or subsequent offense, for a period of 1 year.**

