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**BUSINESS AND PROFESSIONS CODE - BPC**

**DIVISION 8. SPECIAL BUSINESS REGULATIONS [18400 - 22949.92.2]** ( *Division 8 added by Stats. 1941, Ch. 44.*  )

**CHAPTER 9. Secondhand Goods [21500 - 21672]** ( *Chapter 9 added by Stats. 1941, Ch. 50.*  )

**ARTICLE 3. Junk [21600 - 21610]** ( *Article 3 added by Stats. 1941, Ch. 1078.*  )

**21600.** As used in this article, "junk" means any and all secondhand and used machinery and all ferrous and nonferrous scrap metals and alloys, including any and all secondhand and used furniture, pallets, or other personal property, other than livestock, or parts or portions thereof.

As used in this section, "scrap metals and alloys" includes, but is not limited to, materials and equipment commonly used in construction, agricultural operations and electrical power generation, railroad equipment, oil well rigs, nonferrous materials, stainless steel, and nickel which are offered for sale to any junk dealer or recycler, but does not include scrap iron, household generated waste, or aluminum beverage containers, as defined in Chapter 2 (commencing with Section 14502) of Division 12.1 of the Public Resources Code.

(*Amended by Stats. 2001, Ch. 60, Sec. 1. Effective January 1, 2002.*)

**21601.** As used in this article, "junk dealer" includes any person engaged in the business of buying, selling and dealing in junk, any person purchasing, gathering, collecting, soliciting or traveling about from place to place procuring junk, and any person operating, carrying on, conducting or maintaining a junk yard or place where junk is gathered together and stored or kept for shipment, sale or transfer.

(*Added by Stats. 1941, Ch. 1078.*)

**21602.** As used in this article, "junk yard" includes any yard, plot, space, inclosure, building or any other place where junk is collected, stored, gathered together and kept.

(*Added by Stats. 1941, Ch. 1078.*)

**21603.** This article shall not apply to any of the following:

- (a) Secondhand furniture merchants.
- (b) Pawnbrokers.
- (c) Secondhand car dealers or merchants in connection with automobile and motor vehicle sales agencies but not carried on and conducted in conjunction with a junk yard.
- (d) Persons engaged in the business of selling new automobile tires or batteries or other equipment taking in part payment used articles of the same kind and thereafter selling or disposing of the same.
- (e) Secondhand oil well supply and equipment dealers not conducting or carrying on their business in connection with a junk yard.
- (f) Secondhand clothing merchants and ragpickers.

(*Added by Stats. 1941, Ch. 1078.*)

**21604.** Except as otherwise provided in this article, this article does not apply to:

- (a) Any person who buys or sells junk acquired in the conduct of any business other than that of a junk dealer or recycler.
- (b) Except as provided in Section 21609.1, those purchases of scrap metal by a junk dealer or recycler when the payment for the scrap metal is by check issued to the company represented as being the owner of the scrap.
- (c) Scrap metal purchased or received from another junk dealer or recycler who has recorded, reported, and held the material as required. The purchase or receipt shall also be exempt from further holding or reporting provided that the selling party gives the

buyer written assurance of this fact. The seller shall be held responsible for any failure to report or hold.

*(Amended by Stats. 2012, Ch. 656, Sec. 2. (SB 1387) Effective January 1, 2013.)*

**21605.** (a) Every junk dealer and every recycler in this state is hereby required to keep a written record of all sales and purchases made in the course of his or her business.

(b) For purposes of this article, "recycler" means any processor, recycling center, or noncertified recycler, as those terms are defined in Chapter 2 (commencing with Section 14502) of Division 12.1 of the Public Resources Code, who buys or sells scrap metal that constitutes junk, as defined in Section 21600.

*(Amended by Stats. 1989, Ch. 1288, Sec. 4.)*

**21606.** (a) Every junk dealer and every recycler shall set out in the written record required by this article all of the following:

(1) The place and date of each sale or purchase of junk made in the conduct of his or her business as a junk dealer or recycler.

(2) One of the following methods of identification:

(A) The name, valid driver's license number and state of issue or California- or United States-issued identification card number.

(B) The name, identification number, and country of issue from a passport used for identification and the address from an additional item of identification that also bears the seller's name.

(C) The name and identification number from a Matricula Consular used for identification and the address from an additional item of identification that also bears the seller's name.

(3) The vehicle license number, including the state of issue, of any motor vehicle used in transporting the junk to the junk dealer's or recycler's place of business.

(4) The name and address of each person to whom junk is sold or disposed of, and the license number of any motor vehicle used in transporting the junk from the junk dealer's or recycler's place of business.

(5) A description of the item or items of junk purchased or sold, including the item type and quantity, and identification number, if visible.

(6) A statement indicating either that the seller of the junk is the owner of it, or the name of the person he or she obtained the junk from, as shown on a signed transfer document.

(b) Any person who makes, or causes to be made, any false or fictitious statement regarding any information required by this section, is guilty of a misdemeanor.

(c) Every junk dealer and every recycler shall report the information required in subdivision (a) to the chief of police or to the sheriff in the same manner as described in Section 21628.

*(Amended by Stats. 2012, Ch. 300, Sec. 1. (AB 1583) Effective January 1, 2013.)*

**21606.5.** Every junk dealer or recycler shall, during normal business hours, allow periodic inspection of any premises maintained and any junk thereon for the purpose of determining compliance with the recordkeeping requirements of this article, and shall during those hours produce his or her records of sales and purchases, except as provided in subparagraph (B) of paragraph (6) of subdivision (a) of Section 21608.5, and all property purchased incident to those transactions which is in the possession of the junk dealer or recycler for inspection by any of the following persons:

(a) An officer holding a warrant authorizing him or her to search for personal property.

(b) A person appointed by the sheriff of a county or appointed by the head of the police department of a city.

(c) An officer holding a court order directing him or her to examine the records or property.

(d) The amendments to this section made by the act adding this subdivision shall become operative on December 1, 2008.

*(Amended by Stats. 2009, Ch. 78, Sec. 1. (AB 85) Effective January 1, 2010.)*

**21607.** Every junk dealer and recycler shall preserve the written record required by this article for at least two years after making the final entry of any purchase or sale of junk or scrap metals and alloys as defined in Section 21600.

*(Amended by Stats. 1989, Ch. 1288, Sec. 7.)*

**21608.** (a) A junk dealer or recycler who fails in any respect to keep the written record required by this article, or to set out in that written record any matter required by this article to be set out therein, is guilty of a misdemeanor.

Every junk dealer or recycler who refuses, upon demand pursuant to Section 21606.5, to exhibit the written record required by this article, or who destroys that record within two years after making the final entry of a purchase or sale of junk therein, is guilty of a misdemeanor.

(b) Any knowing and willful violation of subdivision (a) shall be punishable as follows:

(1) For a first offense, by a fine of not less than one thousand dollars (\$1,000), or by imprisonment in the county jail for not less than 30 days, or by both that fine and imprisonment.

(2) For a second offense, by a fine of not less than two thousand dollars (\$2,000), or by imprisonment in the county jail for not less than 30 days, or by both that fine and imprisonment. In addition to any other sentence imposed pursuant to this paragraph, the court may order the defendant to stop engaging in business as a junk dealer or recycler for a period not to exceed 30 days.

(3) For a third or any subsequent offense, by a fine of not less than four thousand dollars (\$4,000), or by imprisonment in the county jail for not less than six months, or by both that fine and imprisonment. In addition to any other sentence imposed pursuant to this paragraph, the court shall order the defendant to stop engaging in business as a junk dealer or recycler for not less than one year.

(c) The amendments to this section made by the act adding this subdivision shall become operative on December 1, 2008.

*(Amended by Stats. 2008, Ch. 731, Sec. 3. Effective September 30, 2008. Amended version operative December 1, 2008, pursuant to immediate operation of new subdivision (c).)*

**21608.3.** (a) Any unauthorized disclosure of personal identification information collected from a seller by a junk dealer or recycler is prohibited, and any such disclosure shall render the violator liable for a civil fine of up to five thousand dollars (\$5,000).

(b) This section shall become operative on December 1, 2008.

*(Added by Stats. 2008, Ch. 730, Sec. 4. Effective September 30, 2008. Section operative December 1, 2008, by its own provisions.)*

**21608.5.** (a) A junk dealer or recycler in this state shall not provide payment for nonferrous material unless, in addition to meeting the written record requirements of Sections 21605 and 21606, all of the following requirements are met:

(1) (A) The payment for the material is made by cash, general use prepaid card, or check. The check may be mailed to the seller at the address provided pursuant to paragraph (3), or the cash or check may be collected by the seller from the junk dealer or recycler on or after the third business day after the date of sale. If the buyer offers, and the seller agrees, to have the payment made by general use prepaid card, the card may be provided to the seller at the time of sale, but funds shall not be available to the seller until the third business day after the date of sale.

(B) If payment is made by general use prepaid card, a junk dealer or recycler shall pay any one-time initial issuance fee.

(C) A general use prepaid card used pursuant to this section shall allow for reasonably convenient access to a surcharge-free cash access network location, and the junk dealer or recycler shall inform the seller as to the location of a designated surcharge-free cash access location upon issuance of the card.

(D) Nothing in this section shall prevent or regulate the fees or surcharges charged by a bank or credit union that is not a party to the contract that requires payment to be made by a general use prepaid card.

(2) At the time of sale, the junk dealer or recycler obtains a clear photograph or video of the seller.

(3) (A) Except as provided in subparagraph (B), the junk dealer or recycler obtains a copy of the valid driver's license of the seller containing a photograph and an address of the seller, a copy of a state or federal government-issued identification card containing a photograph and an address of the seller, a passport from any other country in addition to another item of identification bearing an address of the seller, or a Matricula Consular in addition to another item of identification bearing an address of the seller.

(B) If the seller prefers to have the check or general use prepaid card with payment for the material mailed to an alternative address, other than a post office box, the junk dealer or recycler shall obtain a copy of a driver's license or identification card described in subparagraph (A), and a gas or electric utility bill addressed to the seller at that alternative address with a payment due date no more than two months prior to the date of sale. For purposes of this paragraph, "alternative address" means an address that is different from the address appearing on the seller's driver's license or identification card.

(4) The junk dealer or recycler obtains a clear photograph or video of the nonferrous material being purchased.

(5) The junk dealer or recycler shall preserve the information obtained pursuant to this subdivision for a period of two years after the date of sale.

(6) (A) The junk dealer or recycler obtains a thumbprint of the seller, as prescribed by the Department of Justice. The junk dealer or recycler shall keep this thumbprint with the information obtained under this subdivision and shall preserve the thumbprint in either hardcopy or electronic format for a period of two years after the date of sale.

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

(b) Paragraph (1) of subdivision (a) shall not apply if, during any three-month period commencing on or after the effective date of this section, the junk dealer or recycler completes five or more separate transactions per month, on five or more separate days per month, with the seller and, in order for paragraph (1) of subdivision (a) to continue to be inapplicable, the seller shall continue to complete five or more separate transactions per month with the junk dealer or recycler.

(c) This section shall not apply if, on the date of sale, the junk dealer or recycler has on file or receives all of the following information:

(1) The name, physical business address, and business telephone number of the seller's business.

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

(3) A copy of the valid driver's license of the person delivering the nonferrous material on behalf of the seller to the junk dealer or the recycler.

(d) (1) This section shall not apply to the purchase of nonferrous material having a value of not more than twenty dollars (\$20) in a single transaction, when the majority of the transaction is for the redemption of beverage containers under the California Beverage Container Recycling and Litter Reduction Act, as set forth in Division 12.1 (commencing with Section 14500) of the Public Resources Code.

(2) Materials made of copper or copper alloys shall not be purchased under this subdivision.

(e) This section shall not apply to coin dealers or to automobile dismantlers, as defined in Section 220 of the Vehicle Code.

(f) For purposes of this section, "designated surcharge-free cash access network location" means a location designated, in a contract between a junk dealer or recycler and a card issuer, as a location where a general use prepaid card holder can withdraw cash without paying a surcharge.

(g) For purposes of this section, "general use prepaid card" has the same meaning as "prepaid account" in Section 1005.2 of Title 12 of the Code of Federal Regulations as it read on April 1, 2019, except that a general use prepaid card does not include a card for which any of the following fees are charged by the card issuer to the card user:

(1) A fee or surcharge to make a purchase with the card.

(2) A fee or surcharge to make a balance inquiry.

(3) A fee or surcharge to withdraw funds at a designated surcharge-free cash access network location.

(4) A fee or surcharge to lodge a dispute regarding the balance of funds on the card.

(5) A fee or surcharge for account inactivity.

(h) For the purposes of this section, "nonferrous material" means copper, copper alloys, stainless steel, or aluminum, but does not include beverage containers, as defined in Section 14505 of the Public Resources Code, that are subject to a redemption payment pursuant to Section 14560 of the Public Resources Code.

(i) This section is intended to occupy the entire field of law related to junk dealer or recycler transactions involving nonferrous material. However, a city or county ordinance, or a city and county ordinance, relating to the subject matter of this section is not in conflict with this section if the ordinance is passed by a two-thirds vote and it can be demonstrated by clear and convincing evidence that the ordinance is both necessary and addresses a unique problem within and specific to the jurisdiction of the ordinance that cannot effectively be addressed under this section.

*(Amended by Stats. 2019, Ch. 243, Sec. 1. (SB 143) Effective September 5, 2019.)*

**21608.6.** (a) A junk dealer or recycler, as defined in subdivision (f), in this state shall not provide payment for newspaper, as defined in Section 538c of the Penal Code, or for California Redemption Value (CRV) containers unless, in addition to meeting the written record requirements of Sections 21605 and 21606, all of the following requirements are met:

(1) The payment for the newspaper or for the CRV containers is made by check or by other electronic transfer from the junk dealer or recycler to the seller. A recycler, if authorized by regulations adopted pursuant to Division 12.1 (commencing with Section 14500) of the Public Resources Code, may provide payment for CRV containers through a voucher that is immediately redeemable for cash.

(2) The junk dealer or recycler obtains and records a valid, documented address for the seller by obtaining a copy of the valid driver's license of the seller containing a photograph and an address of the seller, or a copy of a state or federal government-issued identification card containing a photograph and an address of the seller, or other valid identification containing the seller's address, such as utility bills in the seller's name. The junk dealer or recycler shall preserve the photograph and the address or the copies obtained pursuant to this paragraph for a period of two years after the date of sale.

(b) The requirements of paragraph (1) of subdivision (a) shall not apply if, during any three-month period commencing on or after the effective date of this section, the junk dealer or recycler completes five or more separate transactions per month with the seller, and in order for the requirements of paragraph (1) of subdivision (a) to continue to be inapplicable, the seller must continue to complete five or more separate transactions per month with the junk dealer or recycler.

(c) This section shall not apply if, on the date of sale, the junk dealer or recycler has on file or receives all of the following information:

(1) The name, physical business address, and business telephone number of the seller's business.

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

(3) A copy of the valid driver's license or a copy of a state or federal government-issued identification card containing a photograph and an address of the person delivering newspaper or CRV containers on behalf of the seller to the junk dealer or the recycler.

(d) Any unauthorized disclosure of personal identification information collected from a seller by a junk dealer or recycler is prohibited, and any violation of this prohibition is subject to a civil fine not to exceed five thousand dollars (\$5,000).

(e) This section shall not apply to the payment for newspaper having a value of fifty dollars (\$50) or less in a single transaction or CRV containers having a value of one hundred dollars (\$100) or less in a single transaction.

(f) This section shall only apply in jurisdictions that offer curbside pickup of materials that include newspaper and CRV containers.

(g) Notwithstanding Section 21605, for purposes of this section, "recycler" means any processor, recycling center, or noncertified recycler, as those terms are defined in Chapter 2 (commencing with Section 14502) of Division 12.1 of the Public Resources Code.

*(Added by Stats. 2008, Ch. 733, Sec. 1. Effective January 1, 2009.)*

**21608.7.** (a) A junk dealer or recycler shall request to receive theft alert notifications regarding the theft of commodity metals, including, but not limited to, ferrous metal, copper, brass, aluminum, nickel, stainless steel, and alloys, in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc., or its successor.

(b) The requirement in subdivision (a) does not apply if the institute or its successor requires payment for use of the theft alert system.

*(Added by Stats. 2014, Ch. 608, Sec. 3. (AB 2312) Effective January 1, 2015.)*

**21609.** (a) Whenever a peace officer has probable cause to believe that property in the possession of a junk dealer or recycler is stolen, in lieu of seizing the property, the peace officer as defined in subdivision (b) of Section 21606.5, at his or her option, may place a hold on the property for a period not to exceed 90 days. When a peace officer places a hold on the property, the peace officer shall give the junk dealer or recycler a written notice at the time the hold is placed, describing the item or items to be held plus the case number. During that period the junk dealer or recycler shall not release or dispose of the property, except pursuant to a court order or upon receipt of a written authorization signed by a peace officer who is a member of the law enforcement agency of which the peace officer placing the hold on the property is a member. Except as specifically set forth in this section, a junk dealer or recycler shall not be subject to civil liability for compliance with this section.

(b) Whenever property that is in the possession of a junk dealer or recycler is subject to a hold and the property is required by a peace officer in a criminal investigation, the junk dealer or recycler, upon reasonable notice, shall produce the property at reasonable times and places or may deliver the property to any peace officer upon the request of any peace officer who is a member of the law enforcement agency of which the peace officer placing the hold on the property is a member.

(c) Whenever property that is in the possession of a junk dealer or recycler is subject to a hold and the property is no longer required for the purpose of criminal investigation, the law enforcement agency that placed the hold on the property shall undertake the following:

(1) With respect to the property being held, if the law enforcement agency has no knowledge of the property on hold being reported as stolen, the property shall be released upon written notice to the junk dealer or recycler. The notice shall be provided in a timely fashion.

(2) If the law enforcement agency has knowledge that the property has been reported stolen, the law enforcement agency shall notify the person who reported the stolen property of the name and address of the junk dealer or recycler holding the property and authorize the release of the property to that person.

The law enforcement agency that placed the property on hold shall release the hold after 60 days has elapsed following the delivery of the notice to the person who reported the property stolen.

(3) If a victim seeks to recover property that is subject to a hold, the junk dealer or recycler shall advise the victim of the name and badge number of the peace officer who placed the hold on the property and the name of the law enforcement agency of which the officer is a member. If the property is not required to be held pursuant to a criminal prosecution the hold shall be released.

(d) Upon conviction of a person for the theft of property placed on hold pursuant to this section, the court shall order the defendant to do both of the following:

(1) Pay the junk dealer or recycler reasonable costs for the storage of the property.

(2) Pay the victim for both the value of the property stolen and any reasonable collateral damage caused in the commission of the theft.

(e) The amendments to this section made by the act adding this subdivision shall become operative on December 1, 2008.

*(Amended by Stats. 2008, Ch. 731, Sec. 6. Effective September 30, 2008. Amended version operative December 1, 2008, pursuant to immediate operation of new subdivision (e).)*

**21609.1.** (a) No junk dealer or recycler shall possess any reasonably recognizable, disassembled, or inoperative fire hydrant or fire department connection, including, but not limited to, reasonably recognizable brass fittings and parts, or any manhole cover or lid or reasonably recognizable part of a manhole cover or lid, or any backflow device or connection to that device or reasonably recognizable part of that device, that was owned or previously owned by an agency, in the absence of a written certification on the letterhead of the agency owning or previously owning the material described in the certification that the agency has either sold the material described or is offering the material for sale, salvage, or recycling, and that the person possessing the certification and identified in the certification is authorized to negotiate the sale of that material.

(b) A junk dealer or recycler who unknowingly takes possession of one or more of the items listed in subdivision (a) as part of a load of otherwise nonprohibited materials without a written certification has a duty to notify the appropriate law enforcement agency by the end of the next business day upon discovery of the prohibited material. Written certification shall relieve the junk dealer or recycler from any civil or criminal penalty for possession of the prohibited material. The prohibited material shall be set aside and not sold pending a determination made by a law enforcement agency pursuant to Section 21609.

(c) For purposes of this section, the following definitions apply:

(1) "Agency" means a public agency, city, county, city and county, special district, or private utility regulated by the Public Utilities Commission.

(2) "Appropriate law enforcement agency" means either of the following:

(A) The police chief of the city, or his or her designee, if the item or items listed in subdivision (a) are located within the territorial limits of an incorporated city.

(B) The sheriff of the county or his or her designee if the item or items listed are located within the county but outside the territorial limits of an incorporated city.

(3) "Written certification" means a certification in written form by the junk dealer or recycler to a law enforcement agency, including electronic mail, facsimile, or a letter delivered in person or by certified mail.

*(Amended by Stats. 2013, Ch. 76, Sec. 5. (AB 383) Effective January 1, 2014.)*

**21609.5.** (a) Except as provided in subdivision (b), no junk dealer or recycler may purchase or receive refillable stainless steel or aluminum alloy beer kegs marked with an indicia of ownership from any person or entity other than the indicated owner. For

purposes of this section, "indicia of ownership" means words, symbols, or registered trademarks printed, stamped, etched, attached, or otherwise displayed on the exterior surface of the beer keg that reasonably identifies the owner.

(b) If the seller is not the indicated owner, a junk dealer or recycler may purchase or receive refillable stainless steel or aluminum alloy beer kegs only if the seller or transferor provides a receipt from the indicated owner verifying the seller's current ownership or a document indicating that the seller or transferor is authorized by the indicated owner to sell or transfer the beer kegs. Copies of these documents shall be maintained by the junk dealer or recycler as part of the written record of the transaction.

*(Added by Stats. 2007, Ch. 349, Sec. 1. Effective January 1, 2008.)*

**21609.7.** (a) Except as provided in subdivisions (b) and (d), a junk dealer or recycler shall not purchase bulk merchandise pallets marked with an indicia of ownership from any person or entity other than the indicated owner.

(b) (1) If the seller is not the indicated owner, a junk dealer or recycler may purchase bulk merchandise pallets if the seller provides one of the following:

(A) A receipt from the indicated owner verifying the seller's current ownership.

(B) A document indicating that the seller is authorized by the indicated owner to sell the merchandise pallets.

(2) Copies of these documents shall be maintained by the junk dealer or recycler as part of the written record of the transaction.

(c) For a single purchase transaction involving five or more bulk merchandise pallets marked with indicia of ownership where the seller is not the indicated owner, the junk dealer or recycler shall make payment only by a check mailed to the address shown on the driver's license or other government-issued photo identification provided by the seller or by cash or check collected by the seller on or after the third business day following the date of the transaction.

(d) Nothing in this section prohibits a junk dealer or recycler from acquiring good faith possession of merchandise pallets based on the representations of the seller that the indicated owner cannot be located or has failed to retrieve the merchandise pallets on a timely basis. If the indicated owner can be located, a junk dealer or recycler who acquires good faith possession shall give notice of good faith possession to the indicated owner of the merchandise pallets. The seller shall retain a copy of this notice of good faith possession for at least two years. A junk dealer or recycler who acquires good faith possession may require payment of reasonable storage fees for the merchandise pallets if the indicated owner demands a return within 35 calendar days after the junk dealer or recycler notifies the indicated owner of having acquired good faith possession. After 35 calendar days from when the junk dealer or recycler provides notice of good faith possession to the indicated owner, the owner shall be deemed to have relinquished possession of the merchandise pallets, at which time the junk dealer or recycler may either sell the pallets or charge reasonable storage fees if the indicated owner demands a return and the pallets are still in the possession of the junk dealer or recycler.

(1) The notice of good faith possession shall contain all of the following information:

(A) The date of the good faith possession.

(B) The name and contact information of the junk dealer or recycler that has acquired good faith possession of the merchandise pallets.

(C) The location of where the merchandise pallets are held.

(D) The number of merchandise pallets acquired.

(E) The date on or after which the merchandise pallets will be deemed relinquished to the junk dealer or recycler.

(2) The notice of good faith possession shall be sent by mail or email to the indicated owner at the indicated owner's physical or email address, if known.

(e) For purposes of this section, the following definitions apply:

(1) "Bulk merchandise pallets" means plastic or wood containers, carriers, or holders used by a manufacturer or distributor for bulk transport of merchandise to wholesale or retail outlets.

(2) "Indicia of ownership" means words, symbols, or registered trademarks printed, stamped, etched, attached, or otherwise displayed on the exterior surface of the merchandise pallet that reasonably identifies the owner.

*(Amended by Stats. 2022, Ch. 521, Sec. 1. (AB 1760) Effective January 1, 2023.)*



**21610.** (a) For the purposes of this section, the following terms have the following meanings:

(1) For the purposes of this section, the term "core recycler" means a person or business, including a recycler or junk dealer, that buys used individual catalytic converters, transmissions, or other parts previously removed from a vehicle. A person or business that buys a vehicle that may contain these parts is not a core recycler.

(2) "Commercial enterprise" includes any of the following:

(A) An automobile dismantler licensed pursuant to Chapter 3 (commencing with Section 11500) of Division 5 of the Vehicle Code.

(B) A core recycler that maintains a fixed place of business for the purpose of obtaining catalytic converters pursuant to this section.

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

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

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

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

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

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

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

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

(5) If applicable, a copy of the title of the vehicle from which the catalytic converter accepted was removed that shows the vehicle identification number matches the number permanently marked on the catalytic converter.

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

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

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

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

(4) The date of the transaction.

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

(1) The payment is made by check, credit card, or any other traceable form of payment other than cash, and provided to the seller by either of the following:

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

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



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

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

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

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

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

(4) The core recycler obtains a clear photograph or video of the catalytic converter being sold. If applicable, the photograph or video shall capture the permanent marking of the vehicle identification number.

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

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

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

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

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

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

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

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

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

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

(l) The provisions of this section apply to core recyclers and do not apply to a subsequent purchaser of a catalytic converter who is not a core recycler. Other than subdivisions (f) to (j), inclusive, this section does not apply to a core recycler who holds a written agreement with a commercial enterprise regarding the transactions, 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.

*(Amended by Stats. 2023, Ch. 858, Sec. 1. (SB 55) Effective January 1, 2024.)*