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AB-1740 Catalytic converters. (2021-2022)

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Assembly Bill No. 1740

CHAPTER 513

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

[Approved by Governor September 25, 2022. Filed with Secretary of State September 25, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1740, 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.

This 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, 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.

This bill would incorporate additional changes to Section 21610 of the Business and Professions Code proposed by SB 986 and SB 1087 to be operative only if this bill and either or both of those bills are enacted and this bill is enacted last.

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.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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

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

(1) "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 pursuant to subdivision (i), 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 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 pursuant to subdivision (i), 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.

(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, 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:

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

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

(j) 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.

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

(l) 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.

(m) 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 (k), 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.

SEC. 1.1.1. Section 21610 of the Business and Professions Code is amended to read:

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 the year, make, model, and vehicle identification number of the vehicle from which the catalytic converter was removed, and any unique identification number, vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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 pursuant to subdivision (i), 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.

(5) A description of the catalytic converters including any unique identification number, the vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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 any 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 payment 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 pursuant to subdivision (i), 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.

(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.

(8) A description of the catalytic converters including any unique identification number, the vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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, 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:

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

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

(j) 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.

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

(l) 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.

(m) 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 (k), 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.

SEC. 1.2. Section 21610 of the Business and Professions Code is amended to read:

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 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.

SEC. 1.3. Section 21610 of the Business and Professions Code is amended to read:

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, the year, make, model, and vehicle identification number of the vehicle from which the catalytic converter was removed, and any unique identification number, vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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.

(5) A description of the catalytic converters including any unique identification number, the vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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 any 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 payment 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.

(8) A description of the catalytic converters including any unique identification number, the vehicle identification number, or any other identifying information etched, engraved, or otherwise permanently marked on the catalytic converter.

(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.

SEC. 2. (a) Section 1.1 of this bill incorporates amendments to Section 21610 of the Business and Professions Code proposed by both this bill and Senate Bill 986. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2023, (2) each bill amends Section 21610 of the Business and Professions Code, (3) Senate Bill 1087 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Senate Bill 986, in which case Sections 1, 1.2, and 1.3 of this bill shall not become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 21610 of the Business and Professions Code proposed by both this bill and Senate Bill 1087. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2023, (2) each bill amends Section 21610 of the Business and Professions Code, (3) Senate Bill 986 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after Senate Bill 1087, in which case Sections 1, 1.1, and 1.3 of this bill shall not become operative.

(c) Section 1.3 of this bill incorporates amendments to Section 21610 of the Business and Professions Code proposed by this bill, Senate Bill 986, and Senate Bill 1087. That section of this bill shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2023, (2) all three bills amend Section 21610 of the Business and Professions Code, and (3) this bill is enacted after Senate Bill 986 and Senate Bill 1087, in which case Sections 1, 1.1, and 1.2 of this bill shall not become operative.

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