

Senate Bill 40

By: Senators Hatchett of the 50th, Gooch of the 51st, Anavitarte of the 31st and Robertson of the 29th

**AS PASSED SENATE**

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 14 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated,  
2 relating to secondary metals recyclers, so as to provide for applicability of the definition of  
3 the term "used, detached catalytic converters" to said article; to remove the exception for  
4 used, detached catalytic converters from the application of said article; to provide for certain  
5 registration requirements for secondary metals recyclers; to provide for the use of certain  
6 registration fees; to provide for records and reporting; to allow certain caps for secondary  
7 metals recyclers with respect to payments to and number of transactions with sellers to  
8 remain in effect after January 1, 2026; to make conforming changes; to provide for related  
9 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for  
10 other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**  
13 Article 14 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to  
14 secondary metals recyclers, is amended by revising Code Section 10-1-350, relating to  
15 definitions, by adding a new paragraph to read as follows:

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16 "(18.1) 'Used, detached catalytic converter' means motor vehicle exhaust system parts  
17 that are used for controlling the exhaust emissions from motor vehicles and that contain  
18 a catalyst metal, but shall not include a catalytic converter that has been tested, certified,  
19 and labeled for reuse, in accordance with applicable federal Clean Air Act regulations,  
20 as may from time to time be amended."

21 **SECTION 2.**

22 Said article is further amended in Code Section 10-1-351, relating to verifiable  
23 documentation required and unlawful activities pertaining to used, detached catalytic  
24 converters, by revising subsection (d) as follows:

25 ~~"(d)(1) As used in this subsection, the term 'used, detached catalytic converter' means~~  
26 ~~motor vehicle exhaust system parts that are used for controlling the exhaust emissions~~  
27 ~~from motor vehicles and that contain a catalyst metal, but shall not include a catalytic~~  
28 ~~converter that has been tested, certified, and labeled for reuse, in accordance with~~  
29 ~~applicable federal Clean Air Act regulations, as may from time to time be amended.~~

30 ~~(2)~~ It shall be unlawful for any person to purchase or to solicit or advertise for the  
31 purchase of a used, detached catalytic converter, or any nonferrous metal parts of a  
32 catalytic converter, unless such person is a registered secondary metals recycler in  
33 accordance with Code Section 10-1-359.1 and in full compliance with all requirements  
34 prescribed by this article.

35 ~~(3)~~(2) It shall be unlawful for any person to purchase, possess, transport, or sell a used,  
36 detached catalytic converter, or any nonferrous metal parts of a catalytic converter, unless  
37 such person is authorized to purchase, possess, transport, or sell catalytic converters  
38 pursuant to subsection (c) of this Code section and is in possession of the licenses,  
39 registrations, or other documentation required by subsection (c) of this Code section.

40 ~~(4)~~(3) Each unlawfully possessed or obtained used, detached catalytic converter shall be  
41 considered a separate offense."

42

**SECTION 3.**

43 Said article is further amended by revising Code Section 10-1-355, relating to conditions and  
44 limitations on payments for regulated metal property and exception for transaction between  
45 business entities, in effect on January 1, 2026, as follows:

46 "10-1-355.

47 (a) A secondary metals recycler shall pay only by check, electronic funds transfer, cash,  
48 or voucher for regulated metal property and shall make any such payment as specifically  
49 provided for in this Code section.

50 (b) Any check, electronic funds transfer, or voucher shall be payable only to the person  
51 recorded as the seller of the regulated metal property to the secondary metals recycler.

52 (c) Any voucher shall be provided to the seller at the time of the purchase transaction or  
53 mailed to the seller at the address indicated on the personal identification card of the seller  
54 presented at the time of such transaction. If the voucher is provided to the seller at the time  
55 of the purchase transaction and not mailed to the seller, the secondary metals recycler shall  
56 not redeem the voucher for three days from the date of the purchase transaction. The  
57 voucher shall include the date of purchase, name of the seller, the amount paid for the  
58 regulated metal property, a detailed description of the regulated metal property purchased,  
59 information as to whether the voucher was mailed or provided at the time of the purchase  
60 transaction, the first date on which the voucher may be redeemed, and the date on which  
61 the voucher expires. The voucher may only be redeemed for cash by the person whose  
62 name appears on the voucher as the seller or by such person's heirs or legal representative.  
63 If a voucher is not redeemed by the person whose name appears on the voucher as the seller  
64 or by such person's heirs or legal representative within six months of the date of the  
65 transaction, the voucher shall expire and the secondary metals recycler shall not be required  
66 to honor the voucher after the expiration date.

67 (d) No secondary metals recycler shall:

68 (1) Pay to any seller more than \$100.00 in cash for any transaction or complete more  
 69 than two transactions per seller, per day, per registered secondary metals recycler  
 70 location;

71 (2) Pay cash to any seller for used, detached catalytic converters or coils;

72 (3) Pay cash to any seller for used utility wire;

73 (4) Pay cash to any seller for used communications copper;

74 (5) Pay cash to any seller for copper wire; or

75 (6) Pay cash to any seller for a battery.

76 (e) A secondary metals recycler shall be prohibited from: (1) redeeming or cashing any  
 77 check or electronic funds transfer paid to a seller for regulated metal property; and (2)  
 78 providing or permitting any mechanism on the premises of the secondary metals recycler  
 79 for the redemption or cashing of any check or electronic funds transfer.

80 ~~(e)~~(f) The provisions of this Code section shall not apply to any transaction between  
 81 business entities."

82 **SECTION 4.**

83 Said article is further amended in Code Section 10-1-358, relating to purchases of regulated  
 84 metal property exempted from application of article, as follows:

85 "10-1-358.

86 This article shall not apply to purchases of regulated metal property, ~~other than used,~~  
 87 ~~detached catalytic converters,~~ from:

88 (1) Organizations, corporations, or associations registered with the state as charitable,  
 89 philanthropic, religious, fraternal, civic, patriotic, social, or ~~school-sponsored~~ school  
 90 sponsored organizations or associations or from any nonprofit corporations or  
 91 associations;

92 (2) A law enforcement officer acting in an official capacity;

- 93 (3) A trustee in bankruptcy, executor, administrator, or receiver who has presented proof  
94 of such status to the secondary metals recycler;
- 95 (4) Any public official acting under judicial process or authority who has presented proof  
96 of such status to the secondary metals recycler;
- 97 (5) A sale on the execution, or by virtue, of any process issued by a court if proof thereof  
98 has been presented to the secondary metals recycler; or
- 99 (6) A manufacturing, industrial, or other commercial vendor that generates and sells  
100 regulated metal property in the ordinary course of its business, provided that such vendor  
101 is not a secondary metals recycler."

102

**SECTION 5.**

103 Said article is further amended by revising subsection (c) of Code Section 10-1-359.1,  
104 relating to registration of secondary metals recycler, electronic data base, authority of sheriff,  
105 and penalty for violation, as follows:

106 "(c) The sheriff shall be authorized to:

- 107 (1) Assess and require payment of \$200.00 for a new registration and an annual  
108 registration renewal for a secondary metals recycler;
- 109 (2) If applicable in the jurisdiction where such secondary metals recycler is located,  
110 require ~~a~~ the secondary metals recycler to submit a current and valid business license in  
111 the county or municipality that is associated with the address on the registration form  
112 prior to approving the registration or registration renewal;
- 113 (3) Require the registered agent of a secondary metals recycler to submit to a criminal  
114 background check and fingerprinting for a new registration with the costs paid by the  
115 secondary metals recycler in an amount not to exceed \$75.00;
- 116 (4) Deny the new registration or registration renewal of a secondary metals recycler if  
117 such person's registration has been revoked in another Georgia county, information  
118 submitted on the registration form has been determined to be invalid or false, or it is

119 determined by the criminal background check that such person has been convicted of a  
120 felony offense under this article ~~more than three times~~ in the previous five years;

121 (5) Revoke the registration of a secondary metals recycler's registered agent if the  
122 registered agent has been convicted of a felony offense in the previous five years under  
123 this article while serving as a registered agent;

124 (6) Require secondary metals recyclers to provide on the registration form the customer  
125 identification number for the current data base contractor maintained by the Georgia  
126 Bureau of Investigation;

127 (7) Require a secondary metals recycler to submit a signed and sworn statement that such  
128 person has not had such secondary metals recycler's registration or business license  
129 revoked during the previous year and that the registered agent has not been convicted of  
130 a ~~metal theft~~ felony offense ~~in the previous year~~ under this article while serving as a  
131 registered agent in the previous five years;

132 (8) Delegate to personnel in the sheriff's office the registration of secondary metals  
133 recyclers and entering into the data base of the records of such registrations; and

134 (9) Remit to the Georgia Sheriffs' Association \$100.00 of each \$200.00 registration fee  
135 and remit to the general fund of the county treasury the remaining \$100.00 of each  
136 registration fee ~~Enter into contracts with the governing authority of a county,~~  
137 ~~municipality, or consolidated government for such governing authority to provide for the~~  
138 registration of secondary metals recyclers and the entering into the ~~data base~~ Georgia  
139 Sheriffs' Association Secondary Metals Recycler Registry of the records of such  
140 registrations for use by other law enforcement agencies, ~~or by~~ staff of the governing  
141 authority, or the public. ~~Any such contract shall provide for reimbursement to such~~  
142 ~~governing authority for the registrations or entry of the records of such registrations into~~  
143 ~~the data base."~~

144

**SECTION 6.**

145 Said article is further amended by revising Code Section 10-1-359.2, relating to penalties for  
146 violations, as follows:

147 "10-1-359.2.

148 (a) Except as provided for in subsection (e) of Code Section 10-1-359.1, any person who  
149 buys or sells regulated metal property in violation of any provision of this article:

150 (1) For a first offense, shall be guilty of a misdemeanor;

151 (2) For a second offense, shall be guilty of a misdemeanor of a high and aggravated  
152 nature; and

153 (3) For a third or subsequent offense or when such regulated metal property is unlawfully  
154 obtained and results in property damage exceeding the aggregate amount of \$1,500.00,  
155 shall be guilty of a felony and, upon conviction thereof, shall be punished by  
156 imprisonment for not less than one nor more than ten years.

157 Each unlawfully possessed or obtained used, detached catalytic converter, ~~as such term is~~  
158 ~~defined in subsection (d) of Code Section 10-1-351~~, shall be considered a separate offense  
159 under this Code section.

160 (b) Any person who buys or sells regulated metal property in violation of any provision  
161 of this article shall be liable in a civil action to any person who was the victim of a crime  
162 involving such regulated metal property for the full value of the regulated metal property,  
163 any repairs and related expenses incurred as a result of such crime, litigation expenses, and  
164 reasonable attorneys' fees."

165

**SECTION 7.**

166 Said article is further amended by revising paragraph (3) of subsection (b) of Code  
167 Section 10-1-359.3, relating to forfeiture and items declared contraband, as follows:

168 "(3) Any used, detached catalytic converter, ~~as such term is defined in subsection (d) of~~  
169 ~~Code Section 10-1-351~~, possessed in violation of subsection (d) of Code Section

170 10-1-351 and any vehicle used in the transportation of such used, detached catalytic  
 171 converter, provided that any civil forfeiture proceedings for any vehicle seized pursuant  
 172 to this subsection, including the reporting requirements set forth in Code Section 9-16-7,  
 173 shall be stayed during the pendency of criminal proceedings unless otherwise agreed to  
 174 by the owner or interest holder of such vehicle."

175 **SECTION 8.**

176 Said article is further amended by revising paragraph (2) of subsection (a) of Code  
 177 Section 10-1-359.5, relating to required information from secondary metals recyclers and  
 178 role of Georgia Bureau of Investigation, as follows:

179 "(2) Notwithstanding any provision of Code Section 10-1-358 to the contrary, each ~~Each~~  
 180 secondary metals recycler shall maintain, or cause to be maintained, a record, and shall  
 181 electronically submit to the Georgia Bureau of Investigation a such record, of the receipt  
 182 of each purchase of a used, detached catalytic converter ~~as defined in subsection (d) of~~  
 183 ~~Code Section 10-1-351, or any nonferrous metal parts of a catalytic converter, from an~~  
 184 ~~industrial account~~ a manufacturing, industrial, or other commercial vendor that generates  
 185 and sells used, detached catalytic converters, or any nonferrous metal parts of a catalytic  
 186 converter, in the ordinary course of its business or a secondary metals recycler. Such  
 187 report shall include:

- 188 (A) The name and address of the seller;  
 189 (B) The date, time, and place of the transaction; and  
 190 (C) The number of used, detached catalytic converters or pounds of catalyst metal  
 191 purchased."

192 **SECTION 9.**

193 This Act shall become effective on July 1, 2025, and shall apply to all transactions occurring  
 194 on and after such date.

195

**SECTION 10.**

196 All laws and parts of laws in conflict with this Act are repealed.