

The House Committee on Regulated Industries offers the following substitute to SB 40:

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 adding a new paragraph to Code Section
15 10-1-350, relating to definitions, to read as follows:

S. B. 40 (SUB)

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, or other applicable federal laws or regulations."

21 **SECTION 2.**

22 Said article is further amended by revising subsection (d) of Code Section 10-1-351, relating
 23 to verifiable documentation required and unlawful activities pertaining to used, detached
 24 catalytic converters, 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 by revising Code Section 10-1-358, relating to purchases of
 84 regulated 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.