

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Representative Rye
6

A Bill

HOUSE BILL 1012

For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS PAWNBROKER ACT; TO
9 REGULATE THE SALE OF CATALYTIC CONVERTERS TO
10 PAWNBROKERS; TO REQUIRE ADDITIONS TO REPORTS
11 MAINTAINED BY AUTO PART DEALERS; AND FOR OTHER
12 PURPOSES.

Subtitle

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15 TO AMEND THE ARKANSAS PAWNBROKER ACT; TO
16 REGULATE THE SALE OF CATALYTIC
17 CONVERTERS TO PAWNBROKERS; AND TO
18 REQUIRE ADDITIONS TO REPORTS MAINTAINED
19 BY AUTO PART DEALERS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 17-18-104, concerning the record of a
26 transaction maintained by an auto parts dealer, is amended to read as
27 follows:

28 (b) The record shall include:

29 (1) A description of the part, tire, or accessory involved;

30 (2) A description of the person from whom the part, tire, or
31 accessory was acquired;

32 (3) A description, including the license number, of any motor
33 vehicle in that person's possession; and

34 (4) If the part is a catalytic converter:

35 (A) The name, address, gender, birth date, and identifying
36 number from a driver's license, military identification card, passport, or



1 other form of government-issued photo identification of the person selling or
 2 authorized to sell the catalytic converter;

3 (B) A photocopy of the government-issued photo
 4 identification provided under subdivision (b)(4)(A) of this section;

5 (C) An affirmation or certification from the seller that
 6 the seller is:

7 (i) The owner of the catalytic converter;

8 (ii) An employee or agent of the owner of the
 9 catalytic converter; or

10 (iii) Another person authorized to sell the
 11 catalytic converter on behalf of the owner of the catalytic converter;

12 (D) The date of the catalytic converter purchase
 13 transaction between the seller and the auto parts dealer;

14 (E) The consideration paid;

15 (F) The date the seller acquired the catalytic converter;

16 (G) The physical address from which the seller acquired
 17 the catalytic converter; and

18 (H) The vehicle identification number (VIN), of the
 19 vehicle from which the catalytic converter was removed if the catalytic
 20 converter is not accompanied by the original manufacturer's packaging; and

21 (5) Such other information as may be reasonably required for the
 22 purpose of this chapter.

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 24 SECTION 2. Arkansas Code Title 17, Chapter 56, is amended to add an
 25 additional subchapter to read as follows:

26 Subchapter 3 – Regulation of the Sale of Catalytic Converters

27 17-56-301. Definitions.

28 As used in this subchapter:

29 (1) "Catalytic converter" means a device used in the exhaust
 30 system of a motor vehicle, containing a catalyst for converting pollutant
 31 gases into less harmful gases;

32 (2) "Pawnbroker" means a person licensed by the Pawnbroker
 33 Licensure Commission under this chapter;

34 (3) "Person" means an individual, a partnership, a corporation,
 35 a joint venture, a trust, an association, or any other legal entity;

36 (4) "Record" means information that is stored in written,

1 electronic, or other format; and

2 (5) "Seller" means a person that receives in a transaction
3 monetary consideration from a pawnbroker in exchange for a catalytic
4 converter.

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6 17-56-302. Records required.

7 (a) A seller shall not sell and a pawnbroker shall not purchase a
8 catalytic converter unless a record of the catalytic converter purchase
9 transaction is generated.

10 (b) The record of each catalytic converter purchase transaction shall
11 contain the following information taken at the time of sale and kept on
12 record by the pawnbroker:

13 (1) The name, address, gender, birth date, and identifying
14 number from a driver's license, military identification card, passport, or
15 other form of government-issued photo identification of the person selling or
16 authorized to sell the catalytic converter;

17 (2) A photocopy of the government-issued photo identification
18 provided under subdivision (b)(1) of this section;

19 (3) An affirmation or certification from the seller that the
20 seller is:

21 (A) The owner of the catalytic converter;

22 (B) An employee or agent of the owner of the catalytic
23 converter; or

24 (C) Another person authorized to sell the catalytic
25 converter on behalf of the owner of the catalytic converter;

26 (4) The date of the catalytic converter purchase transaction
27 between the seller and the pawnbroker;

28 (5) The consideration paid;

29 (6) The date the seller acquired the catalytic converter;

30 (7) The physical address from which the seller acquired the
31 catalytic converter; and

32 (8) The vehicle identification number (VIN), of the vehicle from
33 which the catalytic converter was removed if the catalytic converter is not
34 accompanied by the original manufacturer's packaging.

35 (c) Each pawnbroker doing business in the State of Arkansas shall
36 maintain an accurate and legible record of each catalytic converter purchase

1 transaction.

2 (d) A record required under this section shall be:

3 (1) Kept for a period of one (1) year;

4 (2) Made available to any law enforcement office of the State of
5 Arkansas or of any municipality or county in the State of Arkansas; and

6 (3) Available for use in any legal proceeding.

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8 17-56-303. Theft notification.

9 (a) A person may notify a pawnbroker of a known or presumed theft of a
10 catalytic converter, setting forth any information concerning the theft as
11 might be available to that person, including without limitation:

12 (1) The approximate make and model of the vehicle from which the
13 catalytic converter was removed;

14 (2) The geographical area from which the catalytic converter was
15 reported missing or presumed stolen; and

16 (3) Any specific distinguishing marks or other method of
17 identifying the catalytic converter.

18 (b) If a pawnbroker receives a notice of a known or presumed theft of
19 a catalytic converter under subsection (a) of this section, and if a
20 catalytic converter is offered for sale to the pawnbroker, a pawnbroker
21 shall:

22 (1)(A) Determine if a catalytic converter matches the
23 information in the notice; or

24 (B) Determine if there is not enough information to
25 identify if a catalytic converter offered for sale to the pawnbroker matches
26 the information in the notice;

27 (2) Either purchase the catalytic converter or decline to
28 purchase the catalytic converter; and

29 (3) Notify the local police or sheriff's department that the
30 catalytic converter was purchased by or offered for sale to the pawnbroker.

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32 17-56-304. Penalties.

33 (a) A person that violates this subchapter may be assessed a civil
34 penalty of no more than one thousand dollars (\$1,000) per violation.

35 (b) A person that knowingly gives false information with respect to
36 the matters required to be maintained in the records provided for in this

1 subchapter is guilty upon conviction of a Class A misdemeanor.

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3 17-56-305. Prohibition on sale of catalytic converter to pawnbroker.

4 A person that is convicted of the transfer of a stolen catalytic
5 converter to a pawnbroker under § 5-36-125 is prohibited from selling a
6 catalytic converter to a pawnbroker under this subchapter.

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