OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

S.B. 242

136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Johnson

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SUMMARY

- Requires scrap metal dealers and other persons who purchase used catalytic converters to comply with certain additional reporting and process requirements.
- Prohibits a person other than a scrap metal dealer from receiving, purchasing, or selling more than one used catalytic converter per day.
- Imposes a $10,000 to $50,000 penalty on a business entity that violates the above requirements.
- Prohibits a motor vehicle salvage dealer from purchasing or accepting individual motor vehicle parts, including catalytic converters.
- Requires the Registrar of Motor Vehicles or the Motor Vehicle Repair Board to revoke, refuse to renew, or refuse to issue a license to a motor vehicle salvage dealer or motor vehicle repair and window tint operator that fails to comply with the bill's requirements related to catalytic converters.
- Enhances the penalties for theft when the item stolen is a catalytic converter.
- Enhances the penalties for receiving stolen property when the item stolen is a catalytic converter.
- Provides that a person is guilty of complicity if the person sells a catalytic converter to another person who violates the bill's provisions.
- Appropriates $1.5 million in FY 2026 and $1 million in FY 2027 to support the operations of catalytic converter theft task forces.

DETAILED ANALYSIS

Overview

A catalytic converter is part of an automobile's exhaust system that reduces the toxicity of the pollutants the car emits. Catalytic converters often contain precious metals such as rhodium, platinum, and palladium.[1] The bill increases oversight of the sale of catalytic converters to scrap metal dealers (the owner or operator of a business that purchases or receives scrap metal for the purpose of sorting, grading, and shipping metals to third parties for direct or indirect melting into new products)[2] and other persons and increases penalties relating to stolen catalytic converters.

Secondhand dealer law

The bill establishes new requirements in association with the sale and acquisition of used catalytic converters – including catalytic converter cores, diesel particulate filters, and diesel oxidation catalysts.[3]

Daily limit

The bill prohibits anyone other than a scrap metal dealer from receiving, purchasing, or selling more than one used catalytic converter per day. This prohibition does not apply to any of the transactions exempt from the secondhand dealer law.[4]

Recordkeeping

Continuing law requires a scrap metal dealer to maintain a daily record of all articles purchased by the dealer. The dealer must submit this record by noon the following day to the Director of Public Safety for inclusion in the registry required by law called the Communication and Information Management System (CIMS).[5] CIMS is a system that allows the receipt and transmission of scrap theft alerts to dealers and law enforcement. The bill adds the requirement that CIMS be able to identify parties submitting reports and inquiries to the registry.[6]

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[1] See Carfax, "What is a Catalytic Converter," which is available on Carfax's website: carfax.com/blog.

[2] R.C. 4734.04(A)(1).

[3] R.C. 4737.04(A)(5). The bill appears to include a requirement to provide information that does not exist. The bill requires the scrap metal dealer to include a copy of a check it declares is issued pursuant to law. See, R.C. 4737.04(C). An amendment may be needed to address this.

[4] R.C. 4737.04(B)(3); R.C. 4737.043, not in the bill.

[5] R.C. 4737.04(C) and (E)(1)(b). Information on CIMS can be found at https://homelandsecurity.ohio.gov.

[6] R.C. 4737.045(E)(1)(f).

Posting requirements

The bill requires scrap metal dealers and bulk merchandise container dealers to post a copy of the dealer's registration in a conspicuous place on the dealer's premises.[7]

Penalties

Under current law, a scrap metal dealer or bulk merchandise container dealer that violates the secondhand dealer law is guilty of at least a first degree misdemeanor and at most a fourth degree felony, depending on the number of prior convictions. In addition, for any second or subsequent violation, a court may suspend the dealer's registration for a period of 90 days. The bill requires the Director of Public Safety to revoke, or refuse to issue or renew, the registration of a scrap metal dealer or bulk merchandise container dealer that fails to comply with recordkeeping and reporting requirements regarding special purchase articles, or that is convicted of, or pleads guilty to stealing a used catalytic converter or receiving a stolen used catalytic converter.

In addition, the bill requires the Director of Public Safety to impose the following sanctions:

- Respecting a dealer that fails to properly submit a daily record of purchases for inclusion in CIMS (as described above), a $500 fine for each day the violation occurs, and suspension of the dealer's registration until the Director determines that the dealer has taken "necessary steps" to comply with the reporting requirements;
- Respecting a dealer that does not post a copy of the dealer's registration in a conspicuous place, as required by the bill (see above), a $500 fine;
- Respecting a person that acts as a scrap metal dealer or bulk merchandise container dealer, an injunction, and a $10,000 fine for the first day in violation, plus a $1,000 fine for each consecutive day of violation.
- Respecting a person who engages in fraud, knowingly provides false information, or knowingly fails to disclose information that would result in denial or nonrenewal of a registration or license, when applying for registration or renewal as a scrap metal dealer or bulk merchandise container dealer, a fine of $500.

These fines must be deposited to the Infrastructure Protection Fund (IPF).[8]

The bill also prescribes penalties for persons other than a scrap metal dealer that do not abide by the bill's requirements when purchasing a used catalytic converter. Any person, other than a business entity, who fails to comply with the above requirements is subject to the same penalties as a scrap metal dealer (except for suspension of a dealer's registration, as they are

[7] R.C. 4737.04(G)(2)(a).

[8] R.C. 4737.99(C), 4737.045(H), 4737.046(E), (F), and (G), and 4737.04(E)(6) and (7) and (G)(2)(b).

not registered dealers).[9] Any business entity that fails to comply with such requirements must be fined at least $10,000, but not more than $50,000 per violation. This exceeds the default organizational penalty for a first degree misdemeanor, which is a fine of $5,000, and for a fourth degree felony, which is a fine of $10,000.[10] In the case of a business entity that is a motor vehicle salvage dealer or a motor vehicle repair and window tint operator, the bill requires revocation, refusal to renew, or refusal to issue a license to that business.[11]

When any fine is imposed for an offense involving the sale or purchase of a used catalytic converter, other than a fine explicitly designated for the IPF (as described above), the bill requires the clerk of courts to pay the fine to the county, township, municipal corporation, park district, or state law enforcement agencies in Ohio that were primarily responsible for, or involved in, arresting and prosecuting the offender.[12]

Investigations

The bill requires a law enforcement agency to submit all records of any investigation into a scrap metal dealer or bulk merchandise container dealer to the CIMS.[13] The bill requires the Director, under certain circumstances, to investigate a scrap metal dealer, a bulk merchandise container dealer, and employees, officers, and agents of the foregoing that have violated, is violating, or will violate the provisions of the bill. The Director's investigative authority also extends to persons acting as a scrap metal dealer or bulk merchandise container dealer without a registration. In either case, an investigation may be initiated only upon receiving a bona fide complaint, or upon reasonable suspicion, that a person has or will violate the provisions of the bill, or that a person acting as a scrap metal dealer or bulk merchandise container dealer is not authorized to do so. As part of an investigation, the Director or local law enforcement is empowered to search the alleged violator's premises during normal business hours, apply for court orders, and issue subpoenas. If the Director or local law enforcement finds a violation, the Director may suspend the person's registration or license and reinstate such registration or license only if the person remedies the violation. If, after a registration or license is reinstated, a subsequent investigation reveals the person has violated the provisions of the bill, the Director may revoke the person's registration or license. Following a suspension or revocation, the Director or local law enforcement must conduct a follow-up investigation to determine if the person continues to act in violation of the law. If so, the Director or local law enforcement must seek an injunction from a court of common pleas and revoke the person's registration or license.

[9] R.C. 4737.99(C)(1).

[10] R.C. 4737.99(C)(2).

[11] R.C. 4738.07, 4738.12, and 4775.09.

[12] R.C. 4737.99(H).

[13] R.C. 4737.04(F)(3).

In the case of a person who violates the law by failing to register or obtain a license, the Director must instead seek an injunction from a court of common pleas and impose a civil penalty of $10,000, plus $1,000 for each day the violation occurred. The Director must certify unpaid fines to the Attorney General for collection and the Attorney General may, in addition to the penalty assess a fee for collection costs.[14]

In addition, the bill requires the Director to record information on all noninvestigative visits made to scrap metal dealers or bulk merchandise container dealers, and report the information on the Department of Commerce's website on a quarterly basis.[15]

Motor vehicle salvage dealers

The bill prohibits licensed motor vehicle salvage dealers from purchasing or accepting individual motor vehicle parts, including catalytic converters.[16] Furthermore, it requires the Registrar of Motor Vehicles to revoke, refuse to renew, or refuse to issue a motor vehicle salvage dealer's license with respect to any person that is convicted of, or pleads guilty to stealing a used catalytic converter or receiving a stolen used catalytic converter.[17]

Exemption from regulatory restriction requirements

The bill exempts rules adopted by the Director of Public Safety under the secondhand dealer law, from continuing law requirements concerning reductions in regulatory restrictions. A "regulatory restriction" is any part of an administrative rule that requires or prohibits an action.[18]

Theft and receiving stolen property

The bill enhances the penalties for the offenses of theft and receiving stolen property when the item stolen is a catalytic converter.

Theft

Under continuing law, a person commits the offense of theft if the person, with purpose to deprive the owner of property, knowingly obtains or exerts control over the property in any of the following ways: (1) without the consent of the owner or person authorized to give consent, (2) beyond the scope of the express or implied consent of the owner or person authorized to give consent, (3) by deception, (4) by threat, or (5) by intimidation. Under current law, the penalties for theft range from a first degree misdemeanor to a first degree felony

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[14] R.C. 4737.046.

[15] R.C. 4737.046(H).

[16] R.C. 4738.03.

[17] R.C. 4738.07 and 4738.12.

[18] R.C. 4737.98; R.C. 121.95 to 121.953, not in the bill.

depending on the value of the item stolen, the type of item, and whether the victim is a member of a protected class.[19]

The bill provides a specific penalty when the item stolen is a catalytic converter. Specifically, theft of a catalytic converter is generally a fifth degree felony. But, if the offender previously had been convicted of any of the following types of offenses, the violation is a fourth degree felony:[20]

- R.C. Chapter 2911 – robbery, burglary, trespass, and safecracking offenses;
- R.C. Chapter 2913 – theft and fraud offenses.

The default penalty for a fifth degree felony is a definite prison term of 6, 7, 8, 9, 10, 11, or 12 months and a fine of not more than $2,500. The default penalty for a fourth degree felony is a definite prison term of 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18 months and a fine of not more than $5,000.[21]

The bill provides that if the offender is a business entity, a violation is called enterprise theft of a catalytic converter and is punishable by a fine of not less than $10,000 and not more than $50,000 per violation. The default organizational penalty for a fifth degree felony is a fine of not more than $7,500, and for a fourth degree felony is a fine of not more than $10,000.[22]

When one of the above fines is imposed, the bill requires the clerk of courts to pay the fine to the county, township, municipal corporation, park district, or state law enforcement agencies that were primarily responsible for, or involved in, arresting and prosecuting the offender.[23]

Receiving stolen property

Under continuing law, a person commits the offense of receiving stolen property if the person receives, retains, or disposes of property of another knowing or having reasonable cause to believe that the property has been obtained through commission of a theft offense. Under current law, the penalties for receiving stolen property range from a first degree misdemeanor to a third degree felony depending on the value of the property.[24]

The bill provides a specific penalty when the stolen property is a catalytic converter. Specifically, receiving a stolen catalytic converter is generally a fifth degree felony. But, if the

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[19] R.C. 2913.02.

[20] R.C. 2913.02(B)(10)(a) and (b).

[21] R.C. 2929.14 and 2929.18, not in the bill.

[22] R.C. 2913.02(B)(10)(c) and 2929.31, not in the bill.

[23] R.C. 2913.02(B)(10)(d).

[24] R.C. 2913.51.

offender previously had been convicted of any of the following types of offenses, the violation is a fourth degree felony:[25]

- R.C. Chapter 2911 – robbery, burglary, trespass, and safecracking offenses;
- R.C. Chapter 2913 – theft and fraud offenses.

The default penalty for a fifth degree felony is a definite prison term of 6, 7, 8, 9, 10, 11, or 12 months and a fine of not more than $2,500. The default penalty for a fourth degree felony is a definite prison term of 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, or 18 months and a fine of not more than $5,000.[26]

The bill provides that if the offender is a business entity, a violation is enterprise receipt of a stolen catalytic converter and is punishable by a fine of not less than $10,000 and not more than $50,000 per violation. The default organizational penalty for a fifth degree felony is a fine of not more than $7,500, and for a fourth degree felony is a fine of not more than $10,000.[27]

When one of the above fines is imposed, the bill requires the clerk of courts to pay the fine to the county, township, municipal corporation, park district, or state law enforcement agencies in Ohio that were primarily responsible for, or involved in, arresting and prosecuting the offender.[28]

Complicity

Under current law, a person, acting with the kind of culpability required for the commission of an offense, is prohibited from doing any of the following:[29]

- Soliciting or procuring another to commit the offense;
- Aiding or abetting another in committing the offense;
- Conspiring with another to commit an offense;
- Causing an innocent or irresponsible person to commit the offense.

A person who does any of the above is guilty of complicity in the commission of an offense, and can be prosecuted and punished as if the person were a principal offender.[30]

The bill states that a person is complicit if the person sells a catalytic converter to another person who, in the purchase or receipt of the catalytic converter, violates any of the

[25] R.C. 2913.51(F)(1) and (2).

[26] R.C. 2929.14 and 2929.18, not in the bill.

[27] R.C. 2913.51(F)(3); R.C. 2929.31, not in the bill.

[28] R.C. 2913.51(F)(4).

[29] R.C. 2923.03(A), not in the bill.

[30] R.C. 2923.03(F), not in the bill.

bill's provisions. As stated above, however, to be found guilty, the seller would need to have acted with the kind of culpability required for the commission of the principal offense.[31]

Appropriation

The bill appropriates $1.5 million in the 2026 fiscal year, and $1 million in the 2027 fiscal year. The money is to be used by the Organized Crime Investigations Commission to support the operations of any catalytic converter theft task forces established by the Commission.[32]

HISTORY

Action	Date
Introduced	7-30-25

ANSB0242IN-136/ar

[31] R.C. 4737.99(G).

[32] Section 4.