

2023 SENATE TRANSPORTATION

SB 2174

2023 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

SB 2174
1/19/2023

Relating to scrap metal dealers; and to provide a penalty.
--

9:41 AM Chairmen Clemens opened hearing.

Senator Present: **Clemens, Conley, Larsen, Rummel, Paulson.**

Discussion Topics:

- Bill relevance

9:46 AM Senator Vedaa introduced SB 2174.

Additional written testimony:

Jason Kraft #13520

Kirby Farner #14279

9:49 AM Chairman Clemens adjourned the hearing.

Nathan Liesen, Committee Clerk

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Relating to scrap metal dealers; and to provide a penalty.
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2:42 PM Chairman Clemens opened meeting. (No video available)

Senators present: **Clemens, Conley, Larsen, Rummel, Paulson**

Discussion Topics:

- Committee Action

2:42 PM Senator Larsen moved Do Not Pass.

2:42 PM Senator Conley seconded.

Roll call taken.

Senators	Vote
Senator David A. Clemens	Y
Senator Cole Conley	Y
Senator Doug Larsen	Y
Senator Bob Paulson	Y
Senator Dean Rummel	Y

Motion passed. 5-0-0

2:43 PM Senator Larson will carry.

2:44 PM Chairman Clemens adjourns meeting.

Nathan Liesen, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2174: Transportation Committee (Sen. Clemens, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2174 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

TESTIMONY

SB 2174



Sheriff's Department



Robert Roed
Sheriff

January 16th, 2023

Chairman Clemens and fellow Senators,

For the record my name is Jason Kraft, I am a Captain at the Ward County Sheriff's Department in Minot, and I am providing testimony in support of Senate bill 2174, and will use two of our agencies recent investigations in to catalytic converter thefts as justification.

Through the summer of 2021 in to the spring of 2022, our agency investigated a multitude of catalytic converter thefts in the Ward County area. For months our investigators tried to identify where these catalytic converters were being sold and the people involved. After a breakthrough in the case, which came from a reputable scrap yard that properly keeps records, a local Minot resident was implicated in the crimes and questioned.

This individual informed us that he was in the business of buying and reselling catalytic converters to make money, often meeting with people in parking lots to conduct business. In total, investigators determined that between March 2021 and February 2022, this individual sold approximately 585 catalytic converters either in state or out of state. He was clearly a scrap metal dealer as defined in the law, yet there was no business registered in his name, no clear business premise for us to search for his records, and we had no idea he was buying and selling catalytic converters until that first breakthrough.

One of the major components to the successful investigation of this case was also the fact that we had discovered photographs of stolen converters on the suspects phone. Investigators were able to determine that they were stolen by using the photographs to piece them back in to victim vehicles through examining characteristics such as converter style, direction and placement of cuts, wiring, and rust patterns. Proving that the converters purchased by the suspect had come from our victim's vehicles. This individual was charged with dealing in stolen property and failing to keep records by a scrap metal dealer and pursuant to a plea agreement, he plead guilty to the dealing in stolen property while the lesser offense of failing to keep records was dismissed.

The second case was an attempt by our agency to inspect the business records of another individual that clearly met the definition of a scrap metal dealer. This individual was advertising on Minot Facebook pages that they would be driving through the area in their van, and would be purchasing catalytic converters. Our investigators determined the person lived in the Fargo area and tried to meet with them in an undercover capacity on one of his trips through Minot, but were unsuccessful. Eventually they ended up calling the person, explaining they were law enforcement and asked him for the records of his purchases. The person seemed hesitant to say he had records and eventually said he could get them together. The next call our office received wasn't from the initial person, but from an attorney that vouched for the individual stating he was a good guy and he had records, however, we never received any.



Sheriff's Department



Robert Roed
Sheriff

This person had a business registered in their name that appeared to be the scrap metal business they were running, however the address of the business was that of an apartment. An unlikely location for a scrap metal business. With the inability to know exactly where law enforcement would be allowed to search for his records in accordance with the current law, the case was filed inactive.

Looking back at these two investigations our agency asked what could help us prevent more of these thefts in the future. First it would be helpful to have a registry of all scrap metal dealers so we know who's buying. Second, it would be helpful to know the address of their business records to make sure they can be inspected according to the law. Last, the photographs of converters sold to the person in the first case were very valuable, so adding a photograph as a required element of a scrap metal dealer's records could help solve cases, and make criminals think twice before stealing something that has to be photographed in order to sell.

With that, I'd like to thank the sponsors of this bill and for your time today.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Kraft".

Jason Kraft, Captain
Ward County Sheriff's Department
204 Front Street
Minot, North Dakota 58701
Office Phone: 701-857-6500
Email: Jason.kraft@wardnd.com



January 18, 2023

To: Honorable Senator Vedaa and North Dakota Senators/Legislature

Subject: Catalytic Converter Theft Bill(s)

Pacific Steel and Recycling (Pacific) conducts recycling services in ten (10) U.S. States and Canada. Pacific has a facility in Williston, ND and supports strengthening a metal theft law in a way that punishes illegitimate businesses and disincentivizes thieves. Consequently, Pacific supports the following language:

“No person should be permitted to purchase a catalytic converter unless they are registered with the Office of the Attorney, which requires a properly zoned fixed business location licensed with the Secretary of State.” AND “An offense under this section constitutes a class C felony if the replacement value of the catalytic converter unlawfully obtained including any repair costs is \$1,000 or more.”

Pacific supports the Institute of Scrap Recycling Industries (ISRI) and Ms. Danielle Waterfield in helping with this effort. Also, Pacific is happy to work with state elected officials in collaboration on this effort if it may be beneficial.

Respectfully,

A handwritten signature in blue ink, appearing to read 'K. Farner', is written above the typed name.

Kirby Farner
H.S.E.T Director
Corporate Office
Phone: 406.791.8509