



Colorado Metals Theft Statute

This document is provided as background information for ReMA members. It does not constitute legal advice. Recyclers should consult their attorneys / legal advisors regarding the application of each state's statutes and regulations to each company's individual circumstances. Other state laws governing precious metals, secondhand materials, vehicles, and other materials may apply.

Current as of October 6, 2022

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Please Note: Amendments by Colorado [HB22-1217](#), [SB22-009](#), and [SB22-179](#), effective June 7, 2022, are included and noted in this summary.

Catalytic converters are also specifically included in the chop shop (§ 18-4-420) and anti-tampering requirements (§ 25-7-144 - exempts dismantling / vehicles titled salvage / nonrepairable).

Materials Covered and Other Definitions (edited for clarity and conciseness)

"Commodity Metal" means copper; a copper alloy, such as bronze or brass; or aluminum. Commodity Metal does not include precious metals such as gold, silver, or platinum. Additionally, recyclable food and beverage containers (but not metal beer kegs) are exempt from the recordkeeping requirements.

(Added by SB22-009) "Detached Catalytic Converter" means a post-combustion device that:

- Oxidizes hydrocarbons and carbon monoxide gases or reduced oxides of nitrogen;
- Is designed or intended for use as part of an emission control system; and
- Was previously installed on a motor vehicle and subsequently removed.

"Dealer" means any person, business, or entity that buys, sells, or distributes, for the purpose of recycling, any Commodity Metal on a wholesale basis.

(added by HB22-1217) "Applicable Facility" means Dealers, owners, keepers, or proprietors of a junk shop, junk store, salvage yard, or other secondhand property.

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Exemptions

Exempts a person or entity that does not provide remuneration for commodity metals collected in drop-off curbside containers or at materials recovery sites.

Exempts detached catalytic converters acquired as part of a whole motor vehicle transaction in which an auto parts recycler reports the motor vehicle acquisition into NMVTIS.

The Recordkeeping provision does not apply to:

- Any materials purchased from a regulated public utility or an original manufacturer of scrap or of industrially generated scrap;
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- The purchase of recyclable food and beverage containers from any source (a metal beer keg suitable for reuse is not a recyclable beverage container), or
- Any scrap involved in a transaction between dealers or governmental entities.

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Recordkeeping (italicized text added by SB22-009)

Dealers are required to keep a book or register (a written or electronic record of transactions, including sequentially numbered receipts containing the information required) detailing all transactions involving commodity metals *or detached catalytic converters* with the following:

- "Record the identification of a seller" and the method by which the Seller verified their identity. The Seller must verify their identity with one of the following:
 - A valid Colorado driver's license;
 - A Colorado identification card issued by the Department of Revenue;
 - A valid driver's license from another state with a picture identification;
 - A military identification card;
 - A valid United States passport; or
 - An alien registration card.
- A signed statement that the Seller is the owner or is otherwise entitled to sell, sworn and affirmed under penalty of law.
- License plate number and description of the delivery vehicle.
- Date and place of each purchase.
- Description and quantity of the commodity metal *or detached catalytic converter* purchased.
- Digital photos or videos identifying the Seller and the commodity metal *or detached catalytic converter* sold.
 - For purchases over \$300, a Dealer must either take picture of the Seller when the money is paid or pay the Seller by check.

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Retention

Records must be retained for 3 years after the date of purchase, except photo and/or video records must be retained for 180 days. Scrap Theft Alerts must be downloaded and retained for 90 days. Documentation that employees were provided with and trained in the use of scrap theft alerts must also be retained for an unspecified period.

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Inspection

The book or register containing the records and any photos or videos must be made available to any peace officer for inspection at any reasonable time.

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Applicable Facilities Annual Assessment (added by HB22-1217)

The State Patrol shall develop an Assessment Report for Applicable Facilities to identify their level of conformance with the Act's requirements, and distribute such annually on or before July 1, beginning in 2023. The report must encourage voluntary compliance and provide education to Applicable Facilities on requirements. If a Facility does not comply, the State Patrol may prompt a law enforcement inspection.

Every Applicable Facility must complete and submit an Assessment Report to the State Patrol by August 1 of each year. The Assessment must include, at minimum:

- Applicable Facility information (type of facility, name, physical address, mailing address, business contact name, contact info);
- Purchases of commodity metals information (type of book / register used, forms of seller identity verification, seller documentation used, provision for date and place of purchase, description and quantity, availability or actual inspection by a peace officer); and

- Applicable facility recording of commodity metal transactions (type of transaction, use of and training on STA System, maintenance of alerts, payment forms to seller, and form of records kept, including digital, photographic, video, or other).

By Dec 1 of each year, the State Patrol shall provide a summary report to the Task Force, to be considered at a Task Force meeting.

The State Patrol shall develop an inspection form for state, county, and local authorities to use when inspecting Applicable Facilities, to include elements contained in the Assessment Report, but may further provide information to be used in criminal investigations. The State Patrol shall also provide standardized training for use by law enforcement agencies in conducting inspections.

A law enforcement agency shall submit a copy of the inspection form to the State Patrol within 2 weeks after completing an inspection. The State Patrol shall provide the Task Force with a summary report of all statewide inspections to be considered at a Task Force meeting.

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Registration - Scrap Theft Alert System (italicized text added by SB22-009)

A purchaser of metals must sign up with the scrap theft alert system maintained by ISRI or its successor and receive, download, and maintain for 90 days copies of any theft alerts generated. The purchaser must use the alerts to identify potentially stolen commodity metals *and detached catalytic converters* and train their employees to use the alerts during their daily operations. The purchaser must also maintain documentation that their employees were provided scrap theft alerts and educated in how to use them.

Law enforcement authorities are encouraged to join the system and report thefts of commodity metals *or detached catalytic converters* occurring within their jurisdictions. Commercial stakeholders affected by theft are encouraged to sign up for and participate in the system.

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Payment Restrictions

Cash is allowed for purchases under \$300. For purchases over \$300, a check is required unless a picture of the Seller is taken when the money is paid.

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Penalties

Violations of the law or knowingly giving false information are:

- A Class 2 misdemeanor if the value of the metal involved is less than \$500; or
- A Class 1 misdemeanor if the value is \$500 or more.

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Task Force (italicized text added by SB22-009)

A 10-person commodity metals task force made of representatives from the police, construction, recycling trade associations, scrap metal dealers, local governments, public utilities, and railroads shall meet at least once a year to discuss issues related to theft of commodity metals *and detached catalytic converters*. The task force is specifically directed to consider how to track or apprehend stolen metals prior to the point of sale; when and how a purchaser should be required to report possibly stolen metals to law enforcement; and penalties for egregious and repeat violators. The task force shall report annually to the House and Senate Judiciaries and is repealed effective September 1, 2025.

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Catalytic Converter Identification and Theft Prevention Grant Program (created by HB22-1217 and SB22-179)

Under § 24-33.5-230, The Catalytic Converter Identification and Theft Prevention Grant Program is created in the Colorado State Patrol, within the authority that addresses automobile theft prevention. The Program will award grants for public awareness campaigns regarding

thefts, theft prevention parts, assistance to victims of theft, and identification and tracking efforts. The Grant program sunsets on July 1, 2025, with remaining funds dedicated to the Air Account in the Highway Users Tax Fund.

Rules to adopt the program must specify:

- The application process, including requirements and deadlines;
- Criteria for selecting grant recipients and determining amounts;
- Deadline for awarding grants;
- Reporting requirements and deadlines for grant recipients.

Applicants may include, but are not limited to, auto repair businesses, dealers, associations focused on theft prevention, emergency repair services, law enforcement agencies, and local governments. Applications at minimum must describe what will be funded, how the funding will help reduce catalytic converter thefts, and any other info required by department rules. Grants shall be apportioned with 20% to victims, 20% to prevention, 25% to business impacts, 25% to enforcement, and 10% to administrative costs.

Recipients must report in accordance with deadlines on the use of funds and outcomes achieved. The Department shall submit an annual report to the Legislature on or before June 30 with summaries of recipient reports and information on whether the Program is meeting goals.

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References and Recent Amendments

- [C.R.S.](#) Title 18, Article 13, § 18-13-111. Purchases of commodity metals - violations - commodity metals theft task force - creation - composition - reports - legislative declaration - definitions - repeal
- [C.R.S.](#) Title 24, Principle Departments, Article 33.5, Part 2, § 24-33.5-230. Catalytic converter identification and theft prevention grant program - cash fund - creation - repeal.

Recent Amendments

- [2016 Colorado HB 1182](#)
- [2022 Colorado HB22-1217](#) (effective June 7, 2022)
- [2022 Colorado SB22-009](#) (effective June 7, 2022)
- [2022 Colorado SB22-179](#) (effective June 8, 2022)

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