
A BILL FOR AN ACT

RELATING TO CATALYTIC CONVERTERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that in recent years, the
2 State has seen an increase in the number of catalytic converters
3 being stolen from vehicles and resold for profit. Catalytic
4 converters contain precious metals such as platinum, palladium,
5 and rhodium, making catalytic converters highly sought after by
6 thieves due to their high resale value. Catalytic converters
7 are essential to motor vehicles, as they remove toxic elements
8 from the exhaust stream, and thus are federally mandated to be
9 installed on a vehicle. A catalytic converter can be stolen in
10 less than sixty seconds, which can cause extensive damage to a
11 vehicle, leading to hundreds, if not thousands of dollars in
12 repair costs.

13 The purpose of this Act is to:

14 (1) Require a used motor vehicle parts dealer to obtain a
15 written statement that the seller has the lawful right
16 to sell and dispose of a catalytic converter;



- 1 (2) Require certain sellers to provide a copy of the
2 receipt or a notarized declaration that contains
3 specific information regarding the purchase or
4 acquisition of a catalytic converter;
- 5 (3) Require dealers to keep records of purchases and sales
6 of catalytic converters, report purchases to the
7 appropriate county police department, and tag and hold
8 the catalytic converter for sixty days before selling
9 or otherwise disposing of the catalytic converter;
- 10 (4) Require dealers to pay for catalytic converters by
11 check;
- 12 (5) Subject persons who violate certain provisions of the
13 used motor vehicle parts and accessories law to the
14 criminal penalty of a class C felony;
- 15 (6) Establish the class C felony offense of theft of
16 catalytic converter;
- 17 (7) Require scrap dealers to keep certain records of
18 purchases and sales of palladium, platinum, and
19 rhodium;
- 20 (8) Require scrap dealers to pay for palladium, platinum,
21 and rhodium by check; and



(9) Require each county police department to maintain a database of certain reported information and initiate education programs to encourage its residents to take measures to prevent catalytic converter thefts.

SECTION 2. Chapter 289, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§289- Statement required; catalytic converter. (a)

Every licensee, prior to the purchase of a catalytic converter within the State, shall obtain a written statement signed by the seller certifying that the seller has the lawful right to sell and dispose of the catalytic converter. This statement shall also contain the:

(1) Seller's name, business or residence address, and occupation;

(2) Description, including serial numbers and other identifying marks, when practical, of every catalytic converter;

(3) Amount paid to the seller;

(4) Date, time, and place of the sale; and



1 (5) License plate number of any vehicle used to deliver
2 the property to the place of purchase.

3 (b) The seller shall provide a copy of a receipt that
4 describes, with particularity:

5 (1) The exact item that is being offered for sale;

6 (2) The name of the person who issued the receipt;

7 (3) The date of sale of the item prior to the item being
8 offered to the licensee; and

9 (4) The price, if any, of the item when obtained by the
10 seller.

11 (c) If a receipt is not available, the seller shall
12 provide to the licensee a notarized declaration that describes
13 with particularity:

14 (1) The exact item that is being offered for sale;

15 (2) The name of the person who sold or otherwise
16 transferred the item to the seller;

17 (3) The date of sale of the item; and

18 (4) The price, if any, of the item when obtained by the
19 seller.

20 (d) If the seller does not provide a copy of the receipt
21 or the notarized declaration as required by subsections (b) or



1 (c), respectively, the licensee shall not purchase the catalytic
2 converter, in whole or in part, and shall report the attempted
3 sale to the applicable county police department.

4 (e) Upon purchase of any catalytic converter, in whole or
5 in part, the licensee shall take one or more separate
6 photographs of each individual catalytic converter offered for
7 sale.

8 (f) The licensee shall require the seller to verify the
9 seller's identity by presenting a valid photo identification
10 card or driver's license issued by a federal or state government
11 agency authorized to issue valid identification. The licensee
12 shall:

13 (1) Take a photograph of the seller; and

14 (2) Make a photocopy of the photo identification card or
15 driver's license of the seller.

16 (g) The licensee shall keep at the licensee's place of
17 business:

18 (1) The signed written statement required by subsection
19 (a);

20 (2) The receipt or notarized declaration required by
21 subsections (b) and (c);



1 (3) Photographs required by subsection (e);

2 (4) A photocopy of the seller's photo identification card
3 or driver's license; and

4 (5) The photograph of the seller required by subsection
5 (f),

6 for a period of three years after the date of purchase. The
7 statement, receipt or notarized declaration, photographs,
8 photocopy of the seller's photo identification, and photograph
9 of the seller may be examined at any time by the director of
10 finance, chief of police, attorney general, prosecuting
11 attorney, or their designees.

12 (h) Every licensee, when the licensee purchases a
13 catalytic converter within the State, shall attach a tag to the
14 catalytic converter that shall include the year, make, model,
15 license plate number, and vehicle identification number of the
16 vehicle from which the catalytic converter was removed and the
17 name of the seller. The licensee shall report the purchase to
18 the applicable county police department, the record of which
19 shall be maintained in the police department's database. The
20 licensee shall maintain possession of the purchased catalytic



1 converter for a period of sixty days before selling, exchanging,
2 recycling, or otherwise disposing of the catalytic converter.

3 (i) This section shall not apply when the licensee is:

4 (1) A scrap dealer licensed under section 445-232; and

5 (2) Purchasing a catalytic converter from a licensed
6 commercial vendor, including a scrap dealer licensed
7 under section 445-232, a motor vehicle repair dealer
8 or mechanic licensed under section 437B-7, or a towing
9 company regulated by the counties.

10 (j) A person who violates this section or section 289-2
11 shall be guilty of a class C felony.

12 **§289-_____ Payment for catalytic converter purchased by**
13 **licensee; check; mailing.** (a) If the licensee purchases a
14 catalytic converter, payment for the catalytic converter shall
15 be made by check payable to the seller. At the time of sale of
16 the catalytic converter, the seller shall present to the
17 licensee a valid photo identification card or driver's license
18 of the seller issued by a federal or state government agency
19 authorized to issue valid identification. The check may be
20 mailed to the address shown on the identification, or the



1 licensee may arrange for the check to be picked up personally by
2 the seller at the place of business of the licensee.

3 (b) A person who violates this section shall be guilty of
4 a class C felony."

5 SECTION 3. Chapter 708, Hawaii Revised Statutes, is
6 amended by adding a new section to part IV to be appropriately
7 designated and to read as follows:

8 **"§708- Theft of catalytic converter. (1) A person**
9 **commits the offense of theft of catalytic converter if the**
10 **person commits theft of a catalytic converter.**

11 (2) For the purposes of this section, "catalytic
12 converter" means a device that is incorporated in a motor
13 vehicle's exhaust system and contains a catalyst for converting
14 pollutant gas emissions into less harmful emissions, regardless
15 of whether the device has been removed from a motor vehicle's
16 exhaust system.

17 (3) Theft of catalytic converter is a class C felony."

18 SECTION 4. Section 289-1, Hawaii Revised Statutes, is
19 amended by adding a new definition to be appropriately inserted
20 and to read as follows:



1 ""Catalytic converter" means a device that is incorporated
2 in a motor vehicle's exhaust system and contains a catalyst for
3 converting pollutant gas emissions into less harmful emissions,
4 regardless of whether the device has been removed from a motor
5 vehicle's exhaust system."

6 SECTION 5. Section 445-233, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By amending subsection (b) to read:

9 "(b) If the scrap presented for purchase is copper,
10 palladium, platinum, rhodium, a beer keg, or an urn, in whole or
11 in part, the seller shall provide a copy of a receipt that
12 describes, with particularity:

13 (1) The exact item that is being offered for sale;

14 (2) Who issued the receipt;

15 (3) The date of sale of the item prior to the item's being
16 offered to the scrap dealer; and

17 (4) The price, if any, of the item when obtained by the
18 seller."

19 2. By amending subsections (d) through (f) to read:

20 "(d) If the seller does not provide a copy of the receipt
21 or the notarized declaration as required by subsections (b) and



1 (c), the scrap dealer shall not purchase the copper, palladium,
2 platinum, rhodium, beer keg, or urn, in whole or in part, and
3 shall report the attempted sale to the police.

4 (e) If the scrap dealer purchases any copper, palladium,
5 platinum, rhodium, beer keg, or urn, in whole or in part, the
6 scrap dealer shall take [~~a photograph or~~] one or more separate
7 photographs of [~~all of the copper, beer keg, or urn,~~] each
8 individual item offered for sale.

9 (f) The scrap dealer shall also require the seller to
10 verify the seller's identity by presenting a valid photo
11 identification card or license issued by a federal or state
12 government agency authorized to issue valid identification. If
13 the scrap being offered for sale is copper, palladium, platinum,
14 rhodium, a beer keg, or an urn, in whole or in part, the scrap
15 dealer shall:

16 (1) Take a photograph of the seller; [~~or~~] and

17 (2) Make a photocopy of the identification card or license
18 of the seller."

19 SECTION 6. Section 445-233.5, Hawaii Revised Statutes, is
20 amended by amending its title and subsection (a) to read as
21 follows:



1 "[+]§445-233.5[+] Payment [ef] for copper, palladium,
2 platinum, or rhodium purchased by scrap dealer or recycler;
3 **check; mailing.** (a) If the scrap dealer or recycler, as
4 applicable, purchases any copper, palladium, platinum, or
5 rhodium, payment for the copper, palladium, platinum, or rhodium
6 shall be made by check payable to the seller. At the time of
7 sale of the copper, palladium, platinum, or rhodium, the seller
8 shall present to the scrap dealer or recycler a valid photo
9 identification card or license of the seller issued by a federal
10 or state government agency authorized to issue valid
11 identification. The check may be mailed to the address shown on
12 the identification, or the scrap dealer or recycler may arrange
13 for the check to be picked up personally by the seller at the
14 place of business of the scrap dealer or recycler."

15 SECTION 7. Section 445-235, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§445-235 Prohibitions; penalty.** (a) Any person who
18 violates section 445-232, 445-233, or 445-233.5, or any person
19 who falsifies a statement required by section 445-233, shall be
20 guilty of a misdemeanor ~~[and shall be sentenced in accordance~~



1 ~~with chapter 706, except that the court shall impose a minimum~~
2 ~~sentence of:]~~.

3 (b) Any person who:

4 (1) Violates section 445-233 or 445-233.5; or

5 (2) Falsifies a statement required by section 445-233,
6 which involves the purchase of palladium, platinum, or rhodium,
7 shall be guilty of a class C felony.

8 (c) In addition to any penalties the court may impose
9 pursuant to subsections (a) and (b), the court shall order, at
10 minimum:

11 (1) A fine of \$1,000 for the first offense;

12 (2) A fine of \$3,000 for the second offense; and

13 (3) A fine of \$5,000 and the suspension of the scrap
14 dealer's license for a period of six months for the
15 third or subsequent offense; provided that if the
16 third or subsequent offense occurs within a five-year
17 period from the occurrence of two prior offenses, the
18 scrap dealer shall be subject to license revocation."

19 SECTION 8. Each county police department shall:



(1) Establish a database for collecting and maintaining the information reported pursuant to section 2 of this Act; and

(2) Initiate an education program to encourage its residents to take personal measures to prevent catalytic converter thefts, including having an auto service center paint their vehicle's catalytic converter with high temperature orange paint appropriate for automobiles and have a service technician engrave the vehicle identification number on the catalytic converter as a preventative measure to deter thieves from stealing or attempting to sell or scrap a catalytic converter.

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect on January 1, 2050.



Report Title:

Catalytic Converters; Used Motor Vehicle Parts; Licensees; Scrap Dealers; Theft; Penal Code; Exemption

Description:

Requires licensed used motor vehicle parts dealers to keep records of purchases and sales of catalytic converters and requires the sellers to file a written statement that the seller has the lawful right to sell and dispose of the catalytic converter. Establishes the felony offense of theft of catalytic converter. Increases the penalty for engaging in the business of purchasing or selling used motor vehicle parts and accessories without a license. Requires scrap dealers to keep records of purchases and sales of palladium, platinum, and rhodium. Exempts licensed scrap dealers from certain requirements when transacting the sale of catalytic converters with other licensed commercial vendors. Requires all scrap dealers to pay for palladium, platinum, and rhodium, and used motor vehicle parts dealers to pay for catalytic converters, by check. Requires each county police department to establish a database to collect and maintain reported information and to initiate education programs to encourage residents to take personal measures to prevent catalytic converter thefts. Effective 1/1/2050. (HD1)

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