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# 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 remove toxic elements from the exhaust stream making them  
8 essential to vehicles and thus are federally mandated to be  
9 installed on a vehicle. A catalytic converter can be stolen in  
10 less than sixty seconds and cause extensive damage to a vehicle,  
11 leading to hundreds, if not thousands of dollars in repair  
12 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           police database, and tag and hold the catalytic  
8           converter for sixty days before selling or otherwise  
9           disposing of the catalytic converter;
- 10          (4) Require dealers to pay for catalytic converters by  
11          check;
- 12          (5) Require that persons who violate certain sections of  
13          chapter 289, Hawaii Revised Statutes, shall be guilty  
14          of a class C felony;
- 15          (6) Establish the offense of theft of catalytic converter  
16          as a class C felony;
- 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



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

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

8           "§289-    Statement required; catalytic converter. (a)

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

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

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

19          (3) Amount paid to the seller;

20          (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) 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) Photograph of the seller required by subsection (f),  
5       for a period of two years after the date of purchase. The  
6       statement, receipt or notarized declaration, photographs,  
7       photocopy of the seller's photo identification, and photograph  
8       of the seller may be examined at any time by the director of  
9       finance, chief of police, attorney general, prosecuting  
10       attorney, or their designees.
- 11       (h) Every licensee, when the licensee purchases a  
12       catalytic converter within the State, shall attach a tag to the  
13       catalytic converter that shall include the year, make, model,  
14       license plate number, and vehicle identification number of the  
15       vehicle from which the catalytic converter was removed and the  
16       name of the seller. The licensee shall report the purchase to  
17       the applicable county police department, the record of which  
18       shall be maintained in the police department's database. The  
19       licensee shall maintain possession of the purchased catalytic  
20       converter for a period of sixty days before selling, exchanging,  
21       recycling, or otherwise disposing of the catalytic converter.



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

3        §289-     Payment for catalytic converter purchased by  
4 licensee; check; mailing. (a) If the licensee purchases a  
5 catalytic converter, payment for the catalytic converter shall  
6 be made by check payable to the seller. At the time of sale of  
7 the catalytic converter, the seller shall present to the  
8 licensee a valid photo identification card or driver's license  
9 of the seller issued by a federal or state government agency  
10 authorized to issue valid identification. The check may be  
11 mailed to the address shown on the identification, or the  
12 licensee may arrange for the check to be picked up personally by  
13 the seller at the place of business of the licensee.

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

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

19        "§708-     Theft of catalytic converter. (1) A person  
20 commits the offense of theft of catalytic converter if the  
21 person commits theft of a catalytic converter.



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

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

8        SECTION 4. Section 289-1, Hawaii Revised Statutes, is  
 9 amended by adding one new definition to be appropriately  
 10 inserted and to read as follows:

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

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

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

19        "(b) If the scrap presented for purchase is copper,  
 20 palladium, platinum, rhodium, a beer keg, or an urn, in whole or



1 in part, the seller shall provide a copy of a receipt that  
2 describes, with particularity:

- 3 (1) The exact item that is being offered for sale;
- 4 (2) Who issued the receipt;
- 5 (3) The date of sale of the item prior to the item's being  
6 offered to the scrap dealer; and
- 7 (4) The price, if any, of the item when obtained by the  
8 seller."

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

10 "(d) If the seller does not provide a copy of the receipt  
11 or the notarized declaration as required by subsections (b) and  
12 (c), the scrap dealer shall not purchase the copper, palladium,  
13 platinum, rhodium, beer keg, or urn, in whole or in part, and  
14 shall report the attempted sale to the police.

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

20 (f) The scrap dealer shall also require the seller to  
21 verify the seller's identity by presenting a valid photo



1 identification card or license issued by a federal or state  
2 government agency authorized to issue valid identification. If  
3 the scrap being offered for sale is copper, palladium, platinum,  
4 rhodium, a beer keg, or an urn, in whole or in part, the scrap  
5 dealer shall:

- 6 (1) Take a photograph of the seller; [~~or~~] and
- 7 (2) Make a photocopy of the identification card or license  
8 of the seller."

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

12 "[~~§~~445-233.5[~~]~~] Payment [~~of~~] for copper, palladium,  
13 platinum, or rhodium purchased by scrap dealer or recycler;  
14 check; mailing. (a) If the scrap dealer or recycler, as  
15 applicable, purchases any copper, palladium, platinum, or  
16 rhodium, payment for the copper, palladium, platinum, or rhodium  
17 shall be made by check payable to the seller. At the time of  
18 sale of the copper, palladium, platinum, or rhodium, the seller  
19 shall present to the scrap dealer or recycler a valid photo  
20 identification card or license of the seller issued by a federal  
21 or state government agency authorized to issue valid



1 identification. The check may be mailed to the address shown on  
2 the identification, or the scrap dealer or recycler may arrange  
3 for the check to be picked up personally by the seller at the  
4 place of business of the scrap dealer or recycler."

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

7 "~~§445-235 Prohibitions; penalty.~~ (a) Any person who  
8 violates section 445-232, 445-233, or 445-233.5, or any person  
9 who falsifies a statement required by section 445-233, shall be  
10 guilty of a misdemeanor [and shall be sentenced in accordance  
11 with chapter 706, except that the court shall impose a minimum  
12 sentence of+].

13 (b) Any person who violates section 445-233 or section  
14 445-233.5, or falsifies of a statement required by section 445-  
15 233 involving palladium, platinum, or rhodium, shall be guilty  
16 of a class C felony.

17 (c) In addition to any penalties the court may impose  
18 pursuant to subsections (a) and (b), the court shall order, at  
19 minimum:

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

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



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

7 SECTION 8. Each county police department shall:

- 8 (1) Establish a database for collecting and maintaining  
9 the information reported pursuant to section 2 of this  
10 Act; and
- 11 (2) Initiate an education program to encourage its  
12 residents to take personal measures to prevent  
13 catalytic converter thefts, including having an auto  
14 service center paint their vehicle's catalytic  
15 converter with high temperature orange paint  
16 appropriate for automobiles and to have a service  
17 technician engrave the vehicle identification number  
18 on the catalytic converter as a preventative measure  
19 to deter thieves from stealing or attempting to sell  
20 or scrap a catalytic converter.



1           SECTION 9. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3           SECTION 10. This Act shall take effect upon its approval.



**Report Title:**

Catalytic Converters; Used Motor Vehicle Parts; Licensees; Penal Code; Theft; Class C Felony; Scrap Dealers; Palladium; Platinum; Rhodium; Sales; Statement; Police

**Description:**

Requires used motor vehicle parts dealers to obtain a written statement that the seller has the lawful right to sell and dispose of the catalytic converter. Requires certain sellers to provide copies of receipts or a notarized declaration that contains specific information regarding the purchase or acquisition of the catalytic converter. Requires dealers to keep records of purchases and sales of catalytic converters, report purchases to the police department database, and tag and hold the catalytic converter for sixty days before selling or otherwise disposing of the catalytic converter. Requires dealers to pay for catalytic converters by check. Establishes the offense of theft of catalytic converter and makes it a class C felony. Requires scrap dealers to keep records of purchases and sales of palladium, platinum, and rhodium. Requires scrap dealers to pay for palladium, platinum, and rhodium by check. Establishes that a person who violates certain scrap dealer requirements shall be guilty of a class C felony. Requires each county police department to establish a database to collect and maintain information reported by used motor vehicle parts licensees regarding purchased catalytic converters and to initiate education programs to encourage residents to take personal measures to prevent catalytic converter thefts. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

