

JAN 21 2022

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 motor vehicles and resold for profit. News
4 outlets reported that in 2021 the Honolulu police department
5 received more than one thousand eight hundred reports of stolen
6 catalytic converters plus hundreds of attempted thefts of the
7 devices.

8 The legislature further finds that catalytic converters
9 contain precious metals such as platinum, palladium, and
10 rhodium, making catalytic converters highly sought after by
11 thieves due to their high resale value. Catalytic converters
12 remove toxic elements from the exhaust stream making them
13 essential to vehicles and thus are federally mandated to be
14 installed on a vehicle. A catalytic converter can be stolen in
15 less than sixty seconds, causing damage to other areas of a
16 vehicle, leading to hundreds to thousands of dollars in repair
17 costs.



1 The purpose of this Act is to:

2 (1) Require used motor vehicle parts dealers to obtain a
3 written statement that the seller has the lawful right
4 to sell and dispose of the catalytic converter;

5 (2) Require certain sellers to provide copies of receipts
6 or a declaration from the purchase of a catalytic
7 converter;

8 (3) Require dealers to keep records of purchases and sales
9 of catalytic converters;

10 (4) Require dealers to pay for catalytic converters by
11 check;

12 (5) Require scrap dealers to keep records of purchases and
13 sales of palladium, platinum, and rhodium;

14 (6) Require scrap dealers to pay for palladium, platinum,
15 and rhodium by check;

16 (7) Creates a penalty for engaging in the unlawful
17 business of purchasing or selling of catalytic
18 converters, palladium, platinum, or rhodium; and

19 (8) Establish the offense of theft of catalytic converter
20 and make it a class C felony.



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

4 "§289- Statement required; catalytic converter. (a)

5 Every licensee, when the licensee purchases a catalytic
6 converter within the State, shall obtain a written statement
7 signed by the seller certifying that the seller has the lawful
8 right to sell and dispose of the catalytic converter. This
9 statement shall also contain the:

- 10 (1) Seller's name, business or residence address, and
11 occupation;
- 12 (2) Description, including serial numbers and other
13 identifying marks, when practical, of every catalytic
14 converter;
- 15 (3) Amount paid to the seller;
- 16 (4) Date, time, and place of the sale; and
- 17 (5) License number of any vehicle used to deliver the
18 property to the place of purchase.

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

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



1 (2) Who issued the receipt;

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

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

6 (c) If a receipt is not available, the seller shall
7 provide to the licensee a notarized declaration, describing with
8 particularity:

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

10 (2) Who sold or otherwise transferred the item to the
11 seller;

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

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

15 (d) If the seller does not provide a copy of the receipt
16 or the notarized declaration as required by subsections (b) and
17 (c), the licensee shall not purchase the catalytic converter, in
18 whole or in part, and shall report the attempted sale to the
19 police.

20 (e) If the licensee purchases any catalytic converter, in
21 whole or in part, the licensee shall take one or more separate



1 photographs of each individual catalytic converter offered for
2 sale.

3 (f) The licensee shall require the seller to verify the
4 seller's identity by presenting a valid photo identification
5 card or license issued by a federal or state government agency
6 authorized to issue valid identification. The licensee shall:

7 (1) Take a photograph of the seller; or

8 (2) Make a photocopy of the identification card or license
9 of the seller.

10 (g) The licensee shall keep at the licensee's place of
11 business the signed written statement, receipt or notarized
12 declaration required by subsections (b) and (c), photographs
13 required by subsection (e), and photocopy of the identification
14 card or license, and photograph of the seller required by
15 subsection (f), if applicable, from the seller for a period of
16 two years after the date of purchase and the statement, receipt
17 or notarized declaration required by subsections (b) and (c),
18 photographs required by subsection (e), and photocopy or
19 photograph required by subsection (f), if applicable, may be
20 examined at any time by the director of finance, chief of



1 police, attorney general, prosecuting attorney, or their
2 designees.

3 (h) Violation of this section shall be a class C felony.

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

15 (b) Violation of this section shall be a class C felony."

16 SECTION 3. Section 289-1, Hawaii Revised Statutes, is
17 amended by adding a new definition to be appropriately inserted
18 and to read as follows:

19 "Catalytic converter" means a device that is incorporated
20 in a motor vehicle's exhaust system and contains a catalyst for
21 converting pollutant gas emissions into less harmful emissions,



1 regardless of whether the device has been removed from a motor
2 vehicle's exhaust system."

3 SECTION 4. Section 445-233, Hawaii Revised Statutes, is
4 amended as follows:

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

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

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

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

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



1 (e) If the scrap dealer purchases any copper, palladium,
2 platinum, rhodium, beer keg, or urn, in whole or in part, the
3 scrap dealer shall take a photograph or photographs of all of
4 [~~the copper, beer keg, or urn,~~] each individual item offered for
5 sale[-]; provided that if the item is in powdered or granular
6 form then photographs of the powdered or granular substance in
7 aggregate is sufficient.

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

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

18 SECTION 5. Section 445-233.5, Hawaii Revised Statutes, is
19 amended by amending its title and subsection (a) to read as
20 follows:



1 " ~~[§]~~445-233.5 ~~[§]~~ Payment ~~[of]~~ 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, rhodium,
5 payment for ~~[the copper]~~ those items shall be made by check
6 payable to the seller. At the time of sale of the copper,
7 palladium, platinum, rhodium, the seller shall present to the
8 scrap dealer or recycler a valid photo identification card or
9 license of the seller issued by a federal or state government
10 agency authorized to issue valid identification. The check may
11 be mailed to the address shown on the identification, or the
12 scrap dealer or recycler may arrange for the check to be picked
13 up personally by the seller at the place of business of the
14 scrap dealer or recycler."

15 SECTION 6. 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) Where the violation of section 445-232, 445-233, or
4 445-233.5 or falsification of a statement required by section
5 445-233, involves palladium, platinum, rhodium, it shall be a
6 class C felony.

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

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

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



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

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

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

11 SECTION 8. This Act does not affect rights and duties that
 12 matured, penalties that were incurred, and proceedings that were
 13 begun before its effective date.

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

16 SECTION 10. This Act shall take effect upon its approval.

17

INTRODUCED BY: 



Report Title:

Catalytic Converter; Palladium; Platinum; Rhodium; Theft; Penal Code; Class C Felony; Sales; Statement

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 declaration from the purchase of a catalytic converter. Requires dealers to keep records of purchases and sales of catalytic converters. Requires dealers to pay for catalytic converters by check. 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. Creates a penalty for engaging in the unlawful business of purchasing or selling of catalytic converters, palladium, platinum, or rhodium. Establishes the offense of theft of catalytic converter and make it a class C felony.

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