

Honolulu, Hawaii
FEB 15 , 2022

RE: H.B. No. 1860
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1860 entitled:

"A BILL FOR AN ACT RELATING TO CATALYTIC CONVERTERS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require licensed used motor vehicle part dealers to keep records of purchases and sales of catalytic converters, and require the seller to file a written statement that the seller has the lawful right to sell and dispose of the catalytic converter;
- (2) Establish the felony offense of theft of catalytic converter;
- (3) Increase the penalty for engaging in the business of purchasing or selling used motor vehicle parts and accessories, or wrecking, salvaging, or dismantling motor vehicles for the purpose of reselling the parts or accessories without a license;
- (4) Require scrap dealers to keep records of purchases and sales of palladium, platinum, and rhodium; and



- (5) Require all scrap dealers to pay for palladium, platinum, and rhodium, and all used motor vehicle part dealers to pay for catalytic converters, by check.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Transportation, Hawai'i Police Department, Honolulu Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Insurers Council, Hawaii Transportation Association, American Property Casualty Insurance Association, Stolen Stuff Hawaii, and three individuals. Your Committee received comments on this measure from Schnitzer Steel Hawaii.

Your Committee finds that the theft of catalytic converters has been on rise. According to data from the National Insurance Crime Bureau, catalytic converter thefts were four time higher in 2020 than in 2019. Stolen or recycled catalytic converters can usually be resold on the market for around \$250; however, replacing a stolen catalytic converter can cost a car owner around \$1,000 or more. This measure will act as a deterrent to individuals and businesses involved in the disposal and acquisition of stolen catalytic converters.

Your Committee has amended this measure by:

- (1) Exempting licensed scrap dealers, when purchasing catalytic converters from other licensed commercial vendors, from the written statement requirements for motor vehicle part dealers that purchase catalytic converters, as scrap dealers are already required to obtain written statements and verify identification prior to purchasing scrap;
- (2) Clarifying the definition of "catalytic converter" to include a device that has been removed from the motor vehicle's exhaust system;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



Your Committee notes the concerns raised in testimony by the Department of the Prosecuting Attorney of the City and County of Honolulu regarding the burden of proof that must be met prior to charging or convicting someone with the offense of theft in the second degree. Should your Committee on Judiciary & Hawaiian Affairs hear this measure, your Committee respectfully requests that it consider these concerns.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1860, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>HB 1860</i>	Committee Referral: <i>CPC, JHA</i>	Date: <i>2-2-22</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.				✓
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Disahtingaur</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				