



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTY-FIRST LEGISLATURE, 2022**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2279, RELATING TO CATALYTIC CONVERTERS.

**BEFORE THE:**

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

**DATE:** Tuesday, February 1, 2022      **TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 229, Via Videoconference

**TESTIFIER(S):** Holly T. Shikada, Attorney General,  
Lance Goto, Deputy Attorney General

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Chair Baker and Members of the Committee:

The Department of the Attorney General (Department) appreciates the intent of the bill and offers comments.

This bill (1) excepts catalytic converters from the definition of "used motor vehicle part or accessory" under chapter 289, Hawaii Revised Statutes (HRS), and thereby allows scrap dealers to engage in transactions involving catalytic converters; (2) requires scrap dealers who deal with catalytic converters to keep records of purchases and sales of catalytic converters; and (3) establishes the offense of theft of catalytic converter as a class C felony.

The Department has two primary concerns. First, by excepting catalytic converters (defined as a device incorporated into a motor vehicle exhaust system) from the definition of "used motor vehicle part or accessory" under chapter 289, HRS, and placing it under the scrap dealer provisions of chapter 445, HRS, the bill appears to disqualify those individuals licensed under chapter 289 to purchase or sell used motor vehicle parts and accessories from dealing in catalytic converters. They will have to also obtain a scrap dealer license under chapter 445 just to deal in catalytic converters. It is not clear if that is the consequence the bill intends.

Second, the Department has concerns about subsection (1) of the new section proposed to be added to chapter 708, HRS, on page 2, lines 8 to 14, and recommends amending it as follows:

- (1) A person commits the offense of theft of catalytic converter if the person[~~:-~~
- (a) ~~Obtains a catalytic converter through any means described in section 708-830; or~~
  - (b) ~~Violates section 445-233 in regard to a catalytic converter.]~~
- commits theft of a catalytic converter.

In subsection (1)(a), the use of "obtains" is limiting, as it does not include other theft provisions used in the section 708-830, HRS, such as "exert unauthorized control" or "receives, retains, or disposes" of property. Section 708-800, HRS, has separate definitions for "obtain" and "receives." To be more encompassing and consistent with section 708-830, HRS, and existing Penal Code provisions, paragraph (a) should simply read, "commits theft of a catalytic converter." This would be consistent with the theft of firearm and dynamite provisions of section 708-830.5, HRS, or the theft of beer keg provisions of section 708-835.8, HRS. And the theft provisions of section 708-830, HRS, would automatically apply.

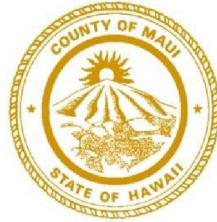
We also recommend that subsection (1)(b) be deleted. It does not describe a theft offense, as violations of section 445-233, HRS, would involve violations of transaction documentation, identification, and record keeping requirements, not theft itself. And violations of section 445-233 already have their own penalties, as set out in section 445-235, HRS. A felony offense could be created under section 445-235 for violations involving transaction documentation, identification, and record keeping requirements for catalytic converters.

The Department appreciates this opportunity to provide comments.

**MICHAEL P. VICTORINO**  
Mayor

**ANDREW H. MARTIN**  
Prosecuting Attorney

**MICHAEL S. KAGAMI**  
First Deputy Prosecuting Attorney



**DEPARTMENT OF THE PROSECUTING ATTORNEY**  
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TESTIMONY  
ON  
S.B. 2279 RELATING TO  
CATALYTIC CONVERTERS



January 31, 2022

The Honorable Rosalyn H. Baker  
Chair  
The Honorable Stanley Chang  
Vice Chair  
and Members of the Committee on Commerce and Consumer Protection

Chair Baker, Vice Chair Chang, and Members of the Committee:

The Department of the Prosecuting Attorney, County of Maui respectfully submits the following comments concerning S.B. 2279, Relating to Catalytic Converters. Specifically, we would like to express our support for the intent of S.B. 2279 to reduce the theft of catalytic converters (“converters”) by increasing regulations for converters sold to scrap dealers and used motor vehicle parts dealers (“dealers”) and by creating a new offense for the theft of a catalytic converter.

Over time, our Department has observed an increase in the amount of catalytic converter thefts. At the same time, our ability to prosecute these offenses is limited because it is rare that a suspect can be arrested, or even identified, when the theft occurs at an unattended vehicle. We believe that increased regulation of converter sales to dealers and increased penalties for violations of statutes intended to reduce converter theft will reduce the incentive for converter theft.

For these reasons, the Department of the Prosecuting Attorney, County of Maui supports the intent of S.B. 2279. Please feel free to contact our office at (808) 270-7777 if you have any questions or inquiries.

Thank you very much for the opportunity to provide testimony on this bill.

TESTIMONY OF

**LARRY S VERAY**

HOUSE OF REPRESENTATIVES  
TO THE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

***MOST STRONGLY SUPPORT SB 2279 and SB 2733***

**RELATING TO CATALYTIC CONVERTERS**

January 30, 2022

Aloha, Chair Rosalyn Baker, Vice Chair Stanley Chang and Committee members. Thank you for allowing me the opportunity to provide testimony on SB 2279 on SB 2733. I am submitting this testimony as Chair of the Pearl City Neighborhood Board No. 21 and the resolution our board unanimously passed on September 28, 2021 that included a number of recommendations to mitigate catalytic converter thefts.

In order to mitigate the rise in catalytic converter thefts caused by quick profiting of valuable items at local pawn shops and recycling centers, a new revised legislative law should include the following for vehicle and traffic laws as well:

- Any pawn shop, local scrap yard or recycler must tag every converter with the year, make, model, license plate number and VIN of the vehicle from which the converter was removed from, and the person who sold the converter
- Every converter received must be reported to the Honolulu Police Department, entered into a database and held for a period of 60 days before being recycled
- Anyone found in possession of a converter without a tag will be guilty of a Class "C" felony
- Initiate an education program for the community recommending that they take personal measures to prevent theft by having their auto service center paint their catalytic converter with auto high temperature orange paint and have the service technician engrave their vehicle VIN number on the converter. This will be another preventive measure to deter thieves from stealing a converter making it difficult to bring to the pawn shop or recycler.

I ask your committee to be creative in your enforcement plan for SB 2279/2733. We know the State and City lacks law enforcement resources to effectively police all the problem areas of our island and City. I suggest that you empower the public to provide video evidence, signed affidavits by witnesses who documented time/place of suspect thieves coupled with police reports to effectively make arrests and prosecute individuals who are involved with catalytic converter theft. Without this engagement plan, you will just have another update to the law and little to no enforcement because, as usual, for any prosecution, the law enforcement officer must witness the violator stealing the converter. Request SB 2279 and SB 2733 be combined.

I most strongly urge you to support and approve SB 2279 and SB 2733 coupled with the above recommended language for this bill. We are with you! Mahalo!

Very respectfully,

*Larry S. Veray*

DEPARTMENT OF THE PROSECUTING ATTORNEY  
**CITY AND COUNTY OF HONOLULU**

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STEVEN S. ALM  
PROSECUTING ATTORNEY



THOMAS J. BRADY  
FIRST DEPUTY  
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**LATE**

**THE HONORABLE ROSALYN BAKER, CHAIR**  
**SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**  
**Thirty-First State Legislature**  
**Regular Session of 2022**  
**State of Hawai`i**

February 1, 2022

**RE: S.B. 2279; RELATING TO CATALYTIC CONVERTERS.**

Chair Baker, Vice Chair Chang, and members of the Senate Committee on Commerce and Consumer Protection, the Department of the Prosecuting Attorney of the City and County of Honolulu (“Department”) submits the following testimony, **supporting the intent of S.B. 2279, with suggested amendments.**

The purpose of this bill is to impose specific record-keeping requirements on scrap metal dealers, when they purchase used catalytic converters, and establish the offense of theft of a catalytic converter as a class C felony. The proposed record-keeping requirements are the same requirements already followed by scrap metal dealers, when they deal in used copper.

The Department is aware that the theft of catalytic converters is on the rise, not just locally, but nationwide. In recent years, catalytic converters have been the subject of numerous thefts, due to the rhodium (\$21,900 per ounce)<sup>1</sup>, platinum (\$1,100 per ounce)<sup>2</sup>, and palladium (\$2,000-\$2,500 per ounce) found within those devices.<sup>3</sup> Stolen or recycled catalytic converters can usually be resold on the market for roughly \$250, yet replacing a stolen catalytic converter can cost a car owner approximately \$1,000 or more.

While the Department takes no position on the severity of the offenses proposed under S.B. 2279, it may be relevant to note that a class C felony theft charge generally equates to a charge of Theft in the Second Degree, section 708-831, Hawaii Revised Statutes (“HRS”), under our current statutes. In order to charge or convict someone with Theft in the Second Degree, the Department must be able to prove beyond a reasonable doubt that the defendant knowingly took the property of

<sup>1</sup> <https://www.nytimes.com/2021/02/09/climate/catalytic-converter-theft.html>

<sup>2</sup> <https://www.motortrend.com/news/catalytic-converter-thefts-nationwide-on-rise/>

<sup>3</sup> <https://www.nytimes.com/2021/02/09/climate/catalytic-converter-theft.html>

another, *and* that the defendant knew the value of such property exceeded \$750. This is currently impossible to prove if the stolen property is a used catalytic converter, as the typical value of these items is much lower than \$750. Because the proposed offense, Theft of a Catalytic Converter (see page 11, lines 1-10), does not involve the value of the item, the Department anticipates this offense would simply require proof beyond a reasonable doubt that a defendant intentionally, knowingly or recklessly stole a catalytic converter—by any applicable means listed under HRS §708-830—regardless of the item’s value or the defendant’s knowledge thereof. It is unclear how subsection (1)(b) of the proposed offense (see page 2, lines 13-14) would work in conjunction with the existing offense of violating HRS §445-233, which is currently a misdemeanor pursuant to HRS §445-235; most likely, such offenses would have to charge as misdemeanors.

While S.B. 2279 proposes an exception to the definition of “used motor vehicle part or accessory” under Chapter 289—to exclude catalytic converters (see page 3, lines 6-12)—it would also be possible, and perhaps preferable, to leave the definition intact. Then the proposed record-keeping requirements for catalytic converters could be added to Chapter 289. Whichever approach is used, the Department recommends including—within the definition of “catalytic converter”—language that clearly indicates the term still applies, “regardless of whether the device has been removed from a motor vehicle's exhaust system” (see page 2, lines 15-18; and page 3, lines 3-5 and 16-18). We also recommend that the bill add provisions to address the contents of catalytic converters (i.e. palladium, platinum and rhodium), as some offenders on the Continental U.S. are now breaking the catalytic converters apart, to extract and sell only the contents.

For all of the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu supports the intent of S.B. 2279, with the suggested amendments. Thank you for the opportunity to testify on this matter.

## TESTIMONY OF MICHAEL ONOFRIETTI

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COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair

Tuesday, February 1, 2022  
9:30 a.m.

### **SB 2279 and SB 2733**

Chair Baker, Vice Chair Chang, and members of the Committee on Commerce and Consumer Protection, my name is Michael Onofrietti, ACAS, MAAA, CPCU, Senior Vice President, Actuarial Services, Product Development & Management for Island Insurance and Chairman of the Auto Policy Committee for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

The Hawaii Insurers Council supports the intent of both SB 2279 and SB 2733 and hopes to support a final version that combines the two bills into one.

Catalytic converter thefts are a rising problem nationwide and a growing problem in Hawaii. Stealing the device from an SUV or other vehicle with high ground clearance can take under one minute, and the devices are desirable because they contain precious metals such as platinum, which currently trades for about \$1,004 per troy ounce, palladium, which currently trades for about \$2,379 per troy ounce, and rhodium, which currently trades for about \$16,800 per troy ounce. By comparison, copper, another metal frequently targeted by thieves, trades for only \$0.29 per troy ounce.

Under Hawaii's motor vehicle insurance law, theft is covered under Comprehensive (also called Other Than Collision) coverage. According to NAIC data, **over 75%** of Hawaii insured vehicles include Comprehensive coverage. Replacing the catalytic converter itself can cost thousands of dollars but there are other costs:

- Thieves often damage other components located near the converter which also must be replaced.
- Availability of converters for some vehicles is a challenge because of the nationwide increase in thefts. This means consumers are often unable to use their vehicles for extended periods of time while waiting for parts.
- Many consumers purchase coverage to provide for a rental car when their insured vehicle is damaged. If a catalytic converter is backordered, rental vehicle expenses will be extended.

The above claims costs will be passed to consumers in the form of higher insurance premiums for Comprehensive coverage.

Because both of these measures may deter or at least reduce the incidents of catalytic converter theft, and such deterrence may then prevent increased claims costs to the benefit of Hawaii insurance consumers, the Hawaii Insurers Council supports the intent of SB 2279 and SB 2733. We also hope to support the final version that merges the two bills into one.

Thank you for the opportunity to testify.





February 1, 2022  
9:30 am  
Hawaii State Senate  
Committee on Commerce & Consumer Affairs

Re: SB 2279, Relating to Catalytic Converters

Aloha Chair Baker, Vice Chair Chang and members of the committee:

On behalf of Schnitzer Steel Hawaii, we are testifying on SB 2279, Relating to Catalytic Converters. This bill establishes the offense of catalytic converter as a class C felony. It defines "catalytic converter" and requires scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of other scrap metal.

We applaud the legislature's efforts at addressing the significant economic and community impact of metals thefts. Schnitzer Steel Hawaii Corp, which was formerly known as Hawaii Metal Recycling is now part of Schnitzer Steel Industries, Inc., a global leader in the metals recycling industry. As one of the nation's largest recyclers of scrap metal, Schnitzer's Metals Recycling Business collects, trades, brokers, processes and recycles metal, both ferrous (containing iron) and nonferrous (not containing iron). In addition to our deep and longstanding commitment to the highest standards of environmental stewardship, we are truly committed to reducing metals theft and actively work with Hawaii's law enforcement community to prevent and address metals theft.

We respectfully request that a licensed scrap dealer that purchases a catalytic converter from a licensed commercial vendor, such as another licensed scrap dealer, towing company, or muffler repair shop, be allowed to rely on the identification documentation already provided.

This exemption is consistent with that found in other states that address catalytic converter theft and would eliminate unnecessary additional costs that do not contribute to compliance or enforcement. We support the initial requirement of such documents and again thank you for addressing metals theft in Hawaii.

Mahalo for the opportunity to testify.



To: Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair

From: Mark Sektnan, Vice President

Re: **SB 2279 – Relating to Catalytic Converters**  
**APCIA Position: Support**

Date: Tuesday, February 1, 2022  
9:30 a.m., Conference Room 229

**LATE**

Aloha Chair Baker, Vice Chair Chang and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support SB 2279** which seeks to deter the theft of catalytic converters. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

SB 2279 seeks to deter catalytic converters by establishing the offense of a catalytic converter as a class C felony and requiring scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of other scrap metal.

Auto theft rates are skyrocketing throughout the nation, including Hawaii, and these emerging trends have compounded other issues that have recently led to higher auto insurance costs. According to data from the National Insurance Crime Bureau, auto thefts reached their highest level in a decade in 2020, **while catalytic converter thefts were more than four times higher in 2020 than the prior year.** Consistent with recent media reports, a report from State Farm in July confirmed catalytic converter theft trends are still accelerating in 2021, noting that its converter theft claims rose nearly 293 percent nationwide from mid-2020 to mid-2021 compared with the previous year.

For these reasons, APCIA asks the committee to support SB 2279.



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

TIMOTHY M. DAYTON, CPCU, GENERAL MANAGER ALASKA & HAWAII  
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**LATE**

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair  
Tuesday February 1, 2022

**SB2279 - RELATING TO Catalytic Converters**

Chair Baker, Vice Chair Chang and Members of the Senate Commerce and Consumer Protection Committee:

My name is Timothy M. Dayton, General Manager of GEICO.

Thank you for the opportunity to submit this testimony. GEICO supports the intent of this measure, but we suggest that **SB2279 be deferred in favor of the next Bill on the agenda SB2273** which is much more comprehensive and will be more effective in reducing the theft of catalytic converters.

Thank you for the opportunity to submit this testimony.

Sincerely,

Timothy M. Dayton, CPCU

**SB-2279**

Submitted on: 1/31/2022 9:56:32 PM  
Testimony for CPN on 2/1/2022 9:30:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michael Kitchens	Testifying for Stolen Stuff Hawaii	Support	No

Comments:

Hello Chair, Vice Chair and Committee Members,

I am founder of Stolen Stuff Hawaii, an anti-crime group with over 140,000 registered Hawaii members. Catalytic converter theft is a plague on our citizenry and our community and is a frequent topic posted by victims in our group. I wholly support this bill however, I would suggest the addition of a serious fine towards any scrap dealer who purchases a catalytic converter derived from a criminal theft as an addition to the Class C Felony. Our community needs relief from this massive problem. Thank you for your support of our community.

Mahalo,

Michael J. Kitchens



February 1, 2022

**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
COMMERCE & CONSUMER PROTECTION  
ON SB 2279 RELATING TO CATALYTIC CONVERTERS**

Aloha Chair Baker, and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 350 members involved with the commercial ground transportation industry.

HTA supports this bill.

The theft of a catalytic converter renders a vehicle inoperable, and is extremely costly to replace especially in the case of commercial motor vehicles (CMV). There is a very light inventory of parts and accessories for CMVs, especially in these times of a sporadic supply chain.

Many businesses are still experiencing depressed economic activity so personnel is reduced making fleets easier targets.

Mahalo.

**SB-2279**

Submitted on: 1/29/2022 12:54:09 PM

Testimony for CPN on 2/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Keke Manera	Individual	Support	No

Comments:

The continued theft needs to stop and it also starts at the source with these recycling centers accepting OBVIOUSLY STOLEN catalytic converters.

**SB-2279**

Submitted on: 1/29/2022 7:13:56 PM

Testimony for CPN on 2/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michael I Rice	Individual	Support	No

Comments:

I stand in SUPPORT of this bill, however something that concerns me is there appears to be no penalties mentioned for dealers who fail to comply with the law.

## Valerie Chang

700 Richards Street, Suite 2410

Honolulu, HI 96813

[starion06@yahoo.com](mailto:starion06@yahoo.com)

January 30, 2022

Honorable Chair Senator Roz Baker  
Honorable Vice-Chair Senator Stanley Chang  
Members of the Committee of Commerce and Consumer Protection

RE: Strong Support of SB2279, Relating to Catalytic Converters  
Strong Support of SB2733, Relating to Catalytic Converters

Dear Senators Baker, Chang, and members of the Committee on Commerce and Consumer Protection,

This measure is extremely critical to our entire state as we are trying to encourage the use of non-fossil fuels and hybrid vehicles. **Please vote in favor of SB2279**, which will establish the offense of improperly handling catalytic converters as a Class C felony. **Please also vote in favor of SB2733**, which will detail the new requirements for motor vehicle parts dealers.

There are reports all over the world of increasing thefts of catalytic converters, particularly during the pandemic. This is a problem in Hawaii as well and there are frequently reports of thefts in NextDoor and elsewhere.

Thank you for taking this seriously and implementing legislation to help stop these thefts that are very expensive for the victims and also cause transportation hardships while they are awaiting parts and repairs. I am very glad that there is also SB2733 to detail the new requirements for motor vehicle parts dealers so everyone knows the rules.

Once again, thank you for taking this matter seriously and I urge you to **vote in favor of SB2279 and SB2733 and help both bills SB2279 and SB2733 to become law as quickly as possible.**

Very truly yours,

*Valerie Chang*

Valerie Chang



**SB-2279**

Submitted on: 1/31/2022 10:58:16 AM

Testimony for CPN on 2/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
susan L kroe-Unabia	Individual	Support	No

Comments:

**LATE**

**VICTIM STATEMENT**

From: Susan Kroe-Unabia

Address: 7086 Hawaii Kai Drive, Unit 11, Honolulu, HI 96825

Email: susankroe@gmail.com

Date: January 31, 2022

To: Representatives Baker, Chang, Fevella, Gabbard, Inouye, Kanuha, Keith-Agaran, Keohokalole, Kidani, Kim, Lee, Misalucha, Rhoads, Riviere, Wakai, Ihara, Moriwaki, Nishihara, San Buenaventura, Taniguchi

**SUPPORT FOR SB2279**

Related To Catalytic Converters

I am a victim of a stolen Catalytic Converter. The theft happened from an assigned parking structure, and I have no other option than to continue to park in the same structure. The insurance agent confirms the widespread increase of stolen Catalytic Converters.

**Stealing Catalytic Converters are easy, fast money because entities  
continue to buy the stolen materials.**

I am in support of SB2279, to establish the offense of catalytic converter as a class C felony. Require scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of other scrap metal.

**Please help stop the easy-steal of CC and the growing number of victims.**

Thank you for the opportunity to provide testimony.

**LATE**

**SB-2279**

Submitted on: 1/31/2022 12:18:41 PM

Testimony for CPN on 2/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Valerie L Moss	Individual	Support	No

Comments:

I am support of this bill because we need stricter consequences for people who steal catalytic converters. Please feel free to contact me at 808-292-8393 or vcm.hawaii@gmail.com. Thank you.