
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. News outlets
4 reported that in 2021, the Honolulu police department received
5 more than one thousand eight hundred reports of stolen catalytic
6 converters, plus hundreds of attempted thefts of the devices.
7 Catalytic converters contain precious metals such as platinum,
8 palladium, and rhodium, making catalytic converters highly
9 sought after by thieves due to their high resale value.
10 Catalytic converters remove toxic elements from the exhaust
11 stream making them essential to vehicles and thus are federally
12 mandated to be installed on a vehicle. A catalytic converter
13 can be stolen in less than sixty seconds, causing damage to
14 other areas of a vehicle, leading to hundreds to thousands of
15 dollars in repair costs.

16 The purpose of this Act is to:



- 1 (1) Require licensed used motor vehicle part dealers to
2 keep records of purchases and sales of catalytic
3 converters, and require the seller to file a written
4 statement that the seller has the lawful right to sell
5 and dispose of the catalytic converter, which may aid
6 in the apprehension of those who engage in the theft
7 and sale of catalytic converters;
- 8 (2) Establish the offense of theft of catalytic converter;
- 9 (3) Increase the penalty for engaging in the business of
10 purchasing or selling used motor vehicle parts and
11 accessories, or wrecking, salvaging, or dismantling
12 motor vehicles for the purpose of reselling the parts
13 or accessories thereof, without a license to a
14 misdemeanor; provided that if one or more instances of
15 engaging in such business includes transactions
16 involving a catalytic converter, then it is a class C
17 felony;
- 18 (4) Require scrap dealers to keep records of purchases and
19 sales of palladium, platinum, and rhodium, which are
20 precious metals typically found inside catalytic
21 converters; and



H.B. NO. 1860

1 (5) Require all scrap dealers to pay for palladium,
2 platinum, and rhodium, and all used motor vehicle part
3 dealers to pay for catalytic converters, by check to
4 increase accountability for those who sell those
5 substances to businesses.

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

9 "§289- Catalytic converters; penalty. (a) Every
10 licensee, when the licensee purchases a catalytic converter
11 within the State, shall obtain a written statement signed by the
12 seller certifying that the seller has the lawful right to sell
13 and dispose of the catalytic converter. This statement shall
14 also contain the:

- 15 (1) Seller's name, business or residence address, and
16 occupation;
17 (2) Description, including serial numbers and other
18 identifying marks, when practical, of every catalytic
19 converter;
20 (3) Amount paid to the seller;
21 (4) Date, time, and place of the sale; and



H.B. NO. 1860

- 1 (5) License number of any vehicle used to deliver the
2 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) 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, describing with
13 particularity:
- 14 (1) The exact item that is being offered for sale;
15 (2) Who sold or otherwise transferred the item to the
16 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) and



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

4 (e) If the licensee purchases any catalytic converter, in
5 whole or 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 license issued by a federal or state government agency
11 authorized to issue valid identification. The licensee shall:

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

13 (2) Make a photocopy of the identification card or license
14 of the seller.

15 (g) The licensee shall keep at the licensee's place of
16 business the signed written statement, receipt, or notarized
17 declaration required by subsections (b) and (c), photographs
18 required by subsection (e), and photocopy of the identification
19 card or license, and photograph of the seller, required by
20 subsection (f), if applicable, from the seller for a period of
21 two years after the date of purchase, and the statement,



1 receipt, or notarized declaration required by subsections (b)
2 and (c), photographs required by subsection (e), and photocopy
3 and photograph required by subsection (f), if applicable, may be
4 examined at any time by the director of finance, chief of
5 police, attorney general, prosecuting attorney, or their
6 designees.

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

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

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

19 SECTION 3. Chapter 708, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 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.

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

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

12 "Catalytic converter" means a device that is incorporated
13 in a motor vehicle's exhaust system and contains a catalyst for
14 converting pollutant gas emissions into less harmful emissions."

15 SECTION 5. Section 289-2, Hawaii Revised Statutes, is
16 amended to read as follows:

17 **"§289-2 Unlicensed person not to engage in business.** (a)

18 It shall be unlawful for any person or organization, not duly
19 licensed under this chapter, to engage in the business of:

20 (1) Purchasing or selling used motor vehicle parts or
21 accessories; or



1 (2) Engaging in the business of wrecking, salvaging, or
2 dismantling motor vehicles for the purpose of
3 reselling the parts or accessories thereof.

4 (b) Violation of this section shall be a misdemeanor;
5 provided that if the violation includes one or more purchases,
6 sales, or negotiations for purchase or sale, of a catalytic
7 converter, it shall be a class C felony."

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

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

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

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

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



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

6 (e) If the scrap dealer purchases any copper, palladium,
7 platinum, rhodium, beer keg, or urn, in whole or in part, the
8 scrap dealer shall take [~~a photograph or~~] one or more separate
9 photographs of [all of the copper, beer keg, or urn,] each
10 individual item offered for sale[-]; provided that if the item
11 is in powdered or granular form then the photographs of the
12 powdered or granular substance in aggregate shall be sufficient.

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

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



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

3 SECTION 7. Section 445-233.5, Hawaii Revised Statutes, is
4 amended by amending its title and subsection (a) to read as
5 follows:

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

20 SECTION 8. Section 445-235, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "**§445-235 Prohibitions; penalty.** (a) Any person who
2 violates section 445-232, 445-233, or 445-233.5, or any person
3 who falsifies a statement required by section 445-233, shall be
4 guilty of a misdemeanor [~~and shall be sentenced in accordance~~
5 ~~with chapter 706, except that~~].

6 (b) Where the violation of section 445-232, 445-233, or
7 445-233.5, or falsification of a statement required by section
8 445-223, involves palladium, platinum, or rhodium, it shall be a
9 class C felony.

10 (c) In addition to any penalties the court may impose
11 pursuant to subsections (a) and (b), the court shall [~~impose a~~
12 order at minimum [~~sentence of~~]:

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



H.B. NO. 1866

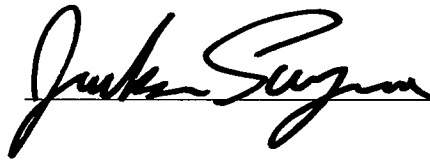
1 SECTION 9. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 10. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 11. This Act shall take effect upon its approval.

7

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jack Seaman", is written over a horizontal line.

JAN 21 2022



H.B. NO. 1860

Report Title:

Catalytic Converters; Used Motor Vehicle Part Dealers; Scrap Metals; Theft; Penal Code

Description:

Requires licensed used motor vehicle part 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 offense of theft of catalytic converter as a class C felony. 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. Requires all scrap dealers to pay for palladium, platinum, and rhodium, and used motor vehicle part dealers to pay for catalytic converters, by check.

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

