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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. 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;
- 6           (2) Establish the felony offense of theft of catalytic  
7           converter;
- 8           (3) Increase the penalty for engaging in the business of  
9           purchasing or selling used motor vehicle parts and  
10          accessories, or wrecking, salvaging, or dismantling  
11          motor vehicles for the purpose of reselling the parts  
12          or accessories thereof, without a license;
- 13          (4) Require scrap dealers to keep records of purchases and  
14          sales of palladium, platinum, and rhodium; and
- 15          (5) Require all scrap dealers to pay for palladium,  
16          platinum, and rhodium, and all used motor vehicle part  
17          dealers to pay for catalytic converters, by check.

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



1        "§289-        Catalytic converters; penalty. (a) Every  
2        licensee, when the licensee purchases a catalytic converter  
3        within the State, shall obtain a written statement signed by the  
4        seller certifying that the seller has the lawful right to sell  
5        and dispose of the catalytic converter. This statement shall  
6        also contain the:

7            (1) Seller's name, business or residence address, and  
8            occupation;

9            (2) Description, including serial numbers and other  
10           identifying marks, when practical, of every catalytic  
11           converter;

12           (3) Amount paid to the seller;

13           (4) Date, time, and place of the sale; and

14           (5) License number of any vehicle used to deliver the  
15           property to the place of purchase.

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

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

19           (2) Who issued the receipt;

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



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

3       (c) If a receipt is not available, the seller shall  
4 provide to the licensee a notarized declaration, describing with  
5 particularity:

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

7       (2) Who sold or otherwise transferred the item to the  
8           seller;

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

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

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

17       (e) If the licensee purchases any catalytic converter, in  
18 whole or in part, the licensee shall take one or more separate  
19 photographs of each individual catalytic converter offered for  
20 sale.



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

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

6       (2) Make a photocopy of the identification card or license  
7 of the seller.

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

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



1        (i) This section shall not apply when the seller is a  
 2 scrap dealer licensed under section 445-232 and is purchasing a  
 3 catalytic converter from a licensed commercial vendor, including  
 4 a scrap dealer licensed under section 445-232, a motor vehicle  
 5 repair dealer or mechanic licensed under section 437B-7, or a  
 6 towing company regulated by the counties."

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

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

18        SECTION 3. Chapter 708, Hawaii Revised Statutes, is  
 19 amended by adding a new section to be appropriately designated  
 20 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 4.   Section 289-1, Hawaii Revised Statutes, is  
12       amended by adding a new definition to be appropriately inserted  
13       and to read as follows:

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

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



1           "**§289-2 Unlicensed person not to engage in business.** (a)

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

4           (1) Purchasing or selling used motor vehicle parts or  
5 accessories; or

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

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

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

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

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

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

21           (2) Who issued the receipt;





1 (3) The date of sale of the item prior to the item's being  
2 offered to the scrap dealer; and

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

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

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

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

18 (f) The scrap dealer shall also require the seller to  
19 verify the seller's identity by presenting a valid photo  
20 identification card or license issued by a federal or state  
21 government agency authorized to issue valid identification. If



1 the scrap being offered for sale is copper, palladium, platinum,  
2 rhodium, a beer keg, or an urn, in whole or in part, the scrap  
3 dealer shall:

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

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

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



1 up personally by the seller at the place of business of the  
2 scrap dealer or recycler."

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

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

10 (b) Where the violation of section 445-232, 445-233, or  
11 445-233.5, or falsification of a statement required by section  
12 445-223, involves palladium, platinum, or rhodium, it shall be a  
13 class C felony.

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

- 17 (1) A fine of \$1,000 for the first offense;  
18 (2) A fine of \$3,000 for the second offense; and  
19 (3) A fine of \$5,000 and the suspension of the scrap  
20 dealer's license for a period of six months for the  
21 third or subsequent offense; provided that if the



1           third or subsequent offense occurs within a five-year  
2           period from the occurrence of two prior offenses, the  
3           scrap dealer shall be subject to license revocation."

4           SECTION 9. This Act does not affect rights and duties that  
5           matured, penalties that were incurred, and proceedings that were  
6           begun before its effective date.

7           SECTION 10. Statutory material to be repealed is bracketed  
8           and stricken. New statutory material is underscored.

9           SECTION 11. This Act shall take effect on January 1, 2050.

10



**Report Title:**

Catalytic Converters; Used Motor Vehicle Part Dealers; Scrap Metals; Scrap Dealers; 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 felony offense of theft of catalytic converter. 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. Effective 1/1/2050.  
(HD1)

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