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

16 The purpose of this Act is to:



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

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

20 **"§289-A Catalytic converters; purchase; penalty. (a)**
 21 Every licensee, when the licensee purchases a catalytic



1 converter within the State, shall obtain a written statement
2 signed by the seller certifying that the seller has the lawful
3 right to sell and dispose of the catalytic converter. This
4 statement shall also contain the:

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

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

- 16 (1) The exact item that is being offered for sale;
- 17 (2) Who issued the receipt;
- 18 (3) The date of sale of the item before the item is
19 offered to the licensee; and
- 20 (4) The price, if any, of the item when obtained by the
21 seller.



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

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

5 (2) Who sold or otherwise transferred the item to the
6 seller;

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

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

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

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

19 (f) The licensee shall require the seller to verify the
20 seller's identity by presenting a valid photo identification



1 card or license issued by a federal or state government agency
2 authorized to issue valid identification. The licensee shall:

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

4 (2) Make a photocopy of the identification card or license
5 of the seller.

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

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

19 (i) This section shall not apply when the seller is a
20 scrap dealer licensed under section 445-232 and is purchasing a
21 catalytic converter from a licensed commercial vendor, including



1 a scrap dealer licensed under section 445-232, a motor vehicle
2 repair dealer or motor vehicle mechanic licensed under section
3 437B-7, or a towing company regulated by the counties.

4 **§289-B Catalytic converters; shipping out of state;**

5 **penalty.** (a) Every licensee, when the licensee attempts to
6 ship a catalytic converter out of state, shall make a written
7 statement signed by the licensee certifying that the licensee
8 has the lawful right to ship the catalytic converter out of
9 state. This statement shall also contain the:

10 (1) Recipient's name and address;

11 (2) Description, including serial numbers and other
12 identifying marks, when practical, of every catalytic
13 converter that is being shipped;

14 (3) Amount paid to the licensee and date, time, and place
15 of the sale for the catalytic converter that is being
16 shipped, if applicable; and

17 (4) Information on how the catalytic converter was
18 obtained by the licensee, including whether the
19 purchase of the catalytic converter was documented
20 under section 289-A or the catalytic converter was
21 obtained in the course of wrecking, salvaging, or



1 dismantling motor vehicles; provided that if the
 2 catalytic converter was obtained in the course of
 3 wrecking, salvaging, or dismantling motor vehicles,
 4 the statement shall contain the name, address, and
 5 driver's license number of all persons from whom the
 6 wrecked, salvaged, or dismantled motor vehicle was
 7 purchased or received, the date of their receipt or
 8 acquisition, and the consideration given.

9 (b) The licensee shall keep and maintain a copy of a
 10 receipt that describes, with particularity:

- 11 (1) The exact catalytic converter that is being shipped;
- 12 (2) Who issued the receipt; and
- 13 (3) The date of sale and price of the catalytic converter
 14 that is being shipped, if applicable.

15 (c) If a receipt is not available, the licensee shall sign
 16 a notarized declaration, describing with particularity:

- 17 (1) The exact catalytic converter that is being shipped;
- 18 (2) The name of the recipient of the catalytic converter
 19 that is being shipped; and
- 20 (3) The date of sale and price of the catalytic converter
 21 that is being shipped, if applicable.



1 (d) The licensee shall take one or more separate
2 photographs of each individual catalytic converter that is being
3 shipped.

4 (e) The licensee shall keep at the licensee's place of
5 business the signed written statement and receipt or notarized
6 declaration required by subsections (b) and (c) and photographs
7 required by subsection (d) for a period of two years after the
8 date of purchase. The statement and receipt or notarized
9 declaration required by subsections (b) and (c) and photographs
10 required by subsection (d) may be examined at any time by the
11 director of finance, chief of police, attorney general,
12 prosecuting attorney, or their designees.

13 (f) Violation of this section shall be a class C felony.

14 **§289-C Payment for catalytic converter purchased by**
15 **licensee; check; mailing.** (a) Payment for a catalytic
16 converter shall be made by check payable to the seller. At the
17 time of sale of the catalytic converter, the seller shall
18 present to the licensee a valid photo identification card or
19 license of the seller issued by a federal or state government
20 agency authorized to issue valid identification. The check may
21 be mailed to the address shown on the identification or the



1 licensee may arrange for the check to be picked up personally by
2 the seller at the place of business of the licensee.

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

4 SECTION 3. Chapter 708, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§708- Theft of catalytic converter. (1) A person
8 commits the offense of theft of catalytic converter if the
9 person commits theft of a catalytic converter.

10 (2) For the purposes of this section, "catalytic
11 converter" means a device that is incorporated in a motor
12 vehicle's exhaust system and contains a catalyst for converting
13 pollutant gas emissions into less harmful emissions, regardless
14 of whether the device has been removed from a motor vehicle's
15 exhaust system.

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

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

20 "Catalytic converter" means a device that is incorporated
21 in a motor vehicle's exhaust system and contains a catalyst for



1 converting pollutant gas emissions into less harmful emissions,
2 regardless of whether the device has been removed from a motor
3 vehicle's exhaust system."

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

6 **"§289-2 Unlicensed person not to engage in business. (a)**

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

9 (1) Purchasing or selling used motor vehicle parts or
10 accessories; or

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

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

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

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



1 "(b) If the scrap presented for purchase is copper,
2 palladium, platinum, rhodium, a beer keg, or an urn, in whole or
3 in part, 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~~] before the
8 ~~[item's being]~~ item is offered to the scrap dealer;
9 and
10 (4) The price, if any, of the item when obtained by the
11 seller."

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

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

18 (e) If the scrap dealer purchases any copper, palladium,
19 platinum, rhodium, beer keg, or urn, in whole or in part, the
20 scrap dealer shall take [~~a photograph of~~] one or more separate
21 photographs of [~~all of the copper, beer keg, or urn,~~] each



1 individual item offered for sale[-]; provided that if the item
2 is in powdered or granular form then the photographs of the
3 powdered or granular substance in aggregate shall be sufficient.

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

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

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

17 "[~~+~~]**\$445-233.5[+]** **Payment [~~of~~] for copper, palladium,**
18 **platinum, or rhodium purchased by scrap dealer or recycler;**
19 **check; mailing.** (a) If the scrap dealer or recycler, as
20 applicable, purchases any copper, palladium, platinum, or
21 rhodium, payment for the [~~copper~~] items shall be made by check

1 payable to the seller. At the time of sale of the copper,
2 palladium, platinum, or rhodium, the seller shall present to the
3 scrap dealer or recycler a valid photo identification card or
4 license of the seller issued by a federal or state government
5 agency authorized to issue valid identification. The check may
6 be mailed to the address shown on the identification, or the
7 scrap dealer or recycler may arrange for the check to be picked
8 up personally by the seller at the place of business of the
9 scrap dealer or recycler."

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

12 **"§445-235 Prohibitions; penalty.** (a) Any person who
13 violates section 445-232, 445-233, or 445-233.5, or any person
14 who falsifies a statement required by section 445-233, shall be
15 guilty of a misdemeanor [~~and shall be sentenced in accordance~~
16 ~~with chapter 706, except that~~].

17 (b) Where the violation of section 445-232, 445-233, or
18 445-233.5, or falsification of a statement required by section
19 445-233, involves palladium, platinum, or rhodium, it shall be a
20 class C felony.



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

4 (1) A fine of \$1,000 for the first offense;

5 (2) A fine of \$3,000 for the second offense; and

6 (3) A fine of \$5,000 and the suspension of the scrap
7 dealer's license for a period of six months for the
8 third or subsequent offense; provided that if the
9 third or subsequent offense occurs within a five-year
10 period from the occurrence of two prior offenses, the
11 scrap dealer shall be subject to license revocation."

12 SECTION 9. In codifying the new sections added by section
13 2 of this Act, the revisor of statutes shall substitute
14 appropriate section numbers for the letters used in designating
15 the new sections in this Act.

16 SECTION 10. This Act does not affect rights and duties
17 that matured, penalties that were incurred, and proceedings that
18 were begun before its effective date.

19 SECTION 11. If any provision of this Act, or the
20 application thereof to any person or circumstance, is held
21 invalid, the invalidity does not affect other provisions or



1 applications of the Act that can be given effect without the
2 invalid provision or application, and to this end the provisions
3 of this Act are severable.

4 SECTION 12. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 13. This Act shall take effect on January 1, 2050.

7



Report Title:

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

Description:

Requires licensed used motor vehicle parts dealers to keep certain records of catalytic converter purchases and shipments. Establishes the felony offense of theft of catalytic converter. Increases the penalty for engaging in certain business related to used motor vehicle parts and accessories without a license. Requires scrap dealers to keep records of purchases of palladium, platinum, and rhodium. Requires all scrap dealers or recyclers to pay for palladium, platinum, and rhodium, and used motor vehicle parts dealers to pay for catalytic converters, by check. Effective 1/1/2050. (HD2)

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

