

JAN 21 2022

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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:



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- 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



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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



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:



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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



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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."



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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: *B. J. Rivers*



# S.B. NO. 2522

**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.*

