

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1282
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1282 entitled:

"A BILL FOR AN ACT RELATING TO CATALYTIC CONVERTERS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the offense of theft of catalytic converter as a class C felony;
- (2) Define "catalytic converter", "catalytic metals", and "scrap catalytic converter";
- (3) Require sellers of scrap catalytic converters and catalytic metals to provide receipts and notarized declarations to the scrap dealer;
- (4) Prohibit scrap dealers from purchasing scrap catalytic converters and catalytic metals without the seller providing a receipts and notarized declaration; and
- (5) Require scrap dealers to report to the police certain attempted sales of catalytic converters or catalytic metals.



Your Committee received testimony in support of this measure from the Hawaii Automobile Dealers Association; Schnitzer Steel Hawaii; Roberts Hawaii; Hakuyosha International, Inc.; Island Recycling, Inc.; American Property Casualty Insurance Association; National Insurance Crime Bureau; and five individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the value of precious metals in catalytic converters is fueling a dramatic upswing in thefts, especially from vehicle dealerships and fleet operations. Installing a replacement catalytic converter can cost hundreds to thousands of dollars, and because thieves try to remove the converters quickly, their hastiness often causes repair costs to be higher due to other areas of the car being damaged. This measure adds requirements for a paper trail when purchasing catalytic converters to properly identify sellers and makes theft of a catalytic converter a class C felony to deter this destructive theft of property.

Your Committee notes the concerns raised in testimony that this measure, as currently drafted, proposes to include scrap catalytic converters in the scrap dealer provisions of chapter 445, Hawaii Revised Statutes. However, licensed scrap dealers are not authorized to deal in used motor vehicle parts. Therefore, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by:

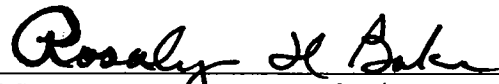
- (1) Moving the language requiring a written statement, notarized declaration, receipt, and other documentation from chapter 445, Hawaii Revised Statutes, to chapter 289, Hawaii Revised Statutes, which regulates used motor vehicle parts and accessories;
- (2) Clarifying that the seller's requirement to provide a receipt or notarized declaration does not apply to manufacturing, industrial, or other commercial vendors that generate or sell catalytic converters in their ordinary course of business, such as licensed scrap dealers, towing companies, or muffler repair shops;



- (3) Clarifying that a person commits the offense of theft of catalytic converter if the person obtains, receives, retains, disposes of, or exerts unauthorized control over a catalytic converter through any means described in section 708-830, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



