
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. Catalytic
4 converters contain precious metals such as palladium, platinum,
5 and rhodium, making catalytic converters highly sought after by
6 thieves due to their high resale value. Catalytic converters
7 are essential to motor vehicles, as they remove toxic elements
8 from the exhaust stream, and thus are federally mandated to be
9 installed on a vehicle. A catalytic converter can be stolen in
10 less than sixty seconds, which can cause extensive damage to a
11 vehicle, leading to hundreds, if not thousands of dollars in
12 repair costs.

13 The purpose of this Act is to:

14 (1) Establish provisions to regulate the purchase of
15 catalytic converters by used motor vehicle parts
16 dealers and palladium, platinum, and rhodium by scrap
17 dealers and recyclers;



1 (2) Subject persons who violate certain provisions of the
2 used motor vehicle parts and accessories law and scrap
3 dealer law to a class C felony;

4 (3) Establish the class C felony offense of theft of
5 catalytic converter; and

6 (4) Require each county police department to maintain a
7 database of certain reported information and initiate
8 education programs to encourage its residents to take
9 measures to prevent catalytic converter thefts.

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

13 "§289-A Statement required; catalytic converter. (a)
14 Every licensee, before the purchase of a catalytic converter
15 within the State, shall obtain a written statement signed by the
16 seller certifying that the seller has the lawful right to sell
17 and dispose of the catalytic converter. This statement shall
18 also contain the:

19 (1) Seller's name, business or residence address, and
20 occupation;



1 (2) Description, including serial numbers and other
2 identifying marks, when practical, of every catalytic
3 converter;

4 (3) Amount paid to the seller;

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

6 (5) License plate number of any vehicle used to deliver
7 the property to the place of purchase.

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

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

11 (2) The name of the person who issued the receipt;

12 (3) The date of sale of the item before the item's being
13 offered to the licensee; and

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

16 (c) If a receipt is not available, the seller shall
17 provide to the licensee a notarized declaration that describes
18 with particularity:

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

20 (2) The name of the person who sold or otherwise
21 transferred the item to the seller;



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

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

4 (d) If the seller does not provide a copy of the receipt
5 or the notarized declaration as required by subsection (b) or
6 (c), respectively, the licensee shall not purchase the catalytic
7 converter, in whole or in part, and shall report the attempted
8 sale to the applicable county police department.

9 (e) Upon purchase of any catalytic converter, in whole or
10 in part, the licensee shall take one or more separate
11 photographs of each individual catalytic converter offered for
12 sale.

13 (f) The licensee shall require the seller to verify the
14 seller's identity by presenting a valid photo identification
15 card or driver's license issued by a federal or state government
16 agency authorized to issue valid identification. The licensee
17 shall:

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

19 (2) Make a photocopy of the photo identification card or
20 driver's license of the seller.



1 (g) The licensee shall keep at the licensee's place of
2 business:

3 (1) The signed written statement required by subsection
4 (a);

5 (2) The receipt or notarized declaration required by
6 subsection (b) or (c);

7 (3) Photographs required by subsection (e); and

8 (4) The photograph of the seller and a photocopy of the
9 seller's photo identification card or driver's license
10 required by subsection (f),

11 for a period of three years after the date of purchase. The
12 statement, receipt or notarized declaration, photographs of each
13 individual catalytic converter offered for sale, and photograph
14 of the seller and photocopy of the seller's photo identification
15 may be examined at any time by the director of finance, chief of
16 police, attorney general, prosecuting attorney, or their
17 designees.

18 (h) Every licensee, when the licensee purchases a
19 catalytic converter within the State, shall attach a tag to the
20 catalytic converter that shall include the year, make, model,
21 license plate number, and vehicle identification number of the



1 vehicle from which the catalytic converter was removed and the
2 name of the seller. The licensee shall report the purchase to
3 the applicable county police department, the record of which
4 shall be maintained in the police department's database. The
5 licensee shall maintain possession of the purchased catalytic
6 converter for a period of sixty days before selling, exchanging,
7 recycling, or otherwise disposing of the catalytic converter.

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

19 SECTION 3. Chapter 708, Hawaii Revised Statutes, is
20 amended by adding a new section to part IV to be appropriately
21 designated 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" shall have the same meaning as that term is defined
6 in section 289-1.

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

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

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

16 SECTION 5. Section 289-8, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§289-8 Penalties. (a) Whoever violates any of the
19 provisions of this chapter or any lawful rule or regulation
20 promulgated by the director of finance under authority of this



1 chapter, for the violation of which no penalty is provided by
2 law, shall be fined not less than \$25 nor more than \$500.

3 (b) Any person who violates section 289-2, 289-A, or 289-B
4 shall be guilty of a class C felony."

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

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

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

- 12 (1) The exact item that is being offered for sale;
- 13 (2) ~~[who]~~ The name of the person who issued the receipt;
- 14 (3) The date of sale of the item ~~[prior to]~~ before the
15 item's being offered to the scrap dealer; and
- 16 (4) The price, if any, of the item when obtained by the
17 seller."

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

19 "(d) If the seller does not provide a copy of the receipt
20 or the notarized declaration as required by ~~[subsections]~~
21 subsection (b) [and] or (c), respectively, the scrap dealer



1 shall not purchase the copper, palladium, platinum, rhodium,
2 beer keg, or urn, in whole or in part, and shall report the
3 attempted sale to the applicable county police[-] department.

4 (e) [~~If the scrap dealer purchases~~] Upon purchase of any
5 copper, palladium, platinum, rhodium, beer keg, or urn, in whole
6 or in part, the scrap dealer shall take [~~a photograph or~~] one or
7 more separate photographs of [~~all of the copper, beer keg, or~~
8 ~~urn,~~] each individual item offered for sale.

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

- 16 (1) Take a photograph of the seller; [~~or~~] and
17 (2) Make a photocopy of the identification card or
18 driver's license of the seller."

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



1 " [f]§445-233.5 [f] Payment [ef] for copper, palladium,
2 platinum, or rhodium purchased by scrap dealer or recycler;
3 check; mailing. (a) If the scrap dealer or recycler, as
4 applicable, purchases any copper, palladium, platinum, or
5 rhodium, payment for the copper, palladium, platinum, or rhodium
6 shall be made by check payable to the seller. At the time of
7 sale of the copper, palladium, platinum, or rhodium, the seller
8 shall present to the scrap dealer or recycler a valid photo
9 identification card or driver's license of the seller issued by
10 a federal or state government agency authorized to issue valid
11 identification. The check may be mailed to the address shown on
12 the identification, or the scrap dealer or recycler may arrange
13 for the check to be picked up personally by the seller at the
14 place of business of the scrap dealer or recycler."

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

17 "§445-235 Prohibitions; penalty. (a) Any person who
18 violates section 445-232, 445-233, or 445-233.5, or any person
19 who falsifies a statement required by section 445-233, shall be
20 guilty of a misdemeanor [~~and shall be sentenced in accordance~~]



1 ~~with chapter 706, except that the court shall impose a minimum~~
2 ~~sentence of+]~~; provided that any person who:

3 (1) Violates section 445-233 or 445-233.5; or

4 (2) Falsifies a statement required by section 445-233,
5 that involves the purchase of palladium, platinum, or rhodium,
6 shall be guilty of a class C felony.

7 (b) In addition to any penalties the court may impose
8 pursuant to subsection (a), the court shall order, at minimum:

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

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

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

17 SECTION 9. Each county police department shall:

18 (1) Establish a database for collecting and maintaining
19 the information reported pursuant to section 2 of this
20 Act; and



1 (2) Initiate an education program to encourage its
2 residents to take personal measures to prevent
3 catalytic converter thefts, including having an auto
4 service center paint their vehicle's catalytic
5 converter with high temperature orange paint
6 appropriate for automobiles and have a service
7 technician engrave the vehicle identification number
8 on the catalytic converter as a preventative measure
9 to deter thieves from stealing or attempting to sell
10 or scrap a catalytic converter.

11 SECTION 10. In codifying the new sections added by section
12 2 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 11. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 12. This Act shall take effect on January 1, 2023;
18 provided that section 3 and section 4 of this Act shall take
19 effect upon its approval.



Report Title:

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

Description:

Regulates the purchase of catalytic converters by used motor vehicle parts dealers and palladium, platinum, and rhodium by scrap dealers and recyclers. Subjects persons who violate related provisions to a class C felony. Establishes the felony offense of theft of catalytic converter. Requires each county police department to maintain certain reported information and initiate education programs to prevent catalytic converter thefts. Effective 1/1/2023. (CD1)

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