

Honolulu, Hawaii

MAR 22 , 2022

RE: S.B. No. 2279
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2279, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require licensed used motor vehicle parts dealers to keep records of purchases and sales of catalytic converters, and require the seller to file a written statement that the seller has the lawful right to sell and dispose of the catalytic converter;
- (2) Establish the class C felony offense of theft of catalytic converter;
- (3) Increase the penalty for engaging in the business of purchasing or selling used motor vehicle parts and accessories, or wrecking, salvaging, or dismantling motor vehicles for the purpose of reselling the parts or accessories without a license;
- (4) Require scrap dealers to keep records of purchases and sales of palladium, platinum, and rhodium;



- (5) Require all scrap dealers to pay for palladium, platinum, and rhodium, and all used motor vehicle parts dealers to pay for catalytic converters, by check; and
- (6) Require each county police department to maintain a database of certain reported information and initiate education programs to encourage its residents to take measures to prevent catalytic converter thefts.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Transportation, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, one member of the Maui County Council, Hawaii Transportation Association, GEICO, National Insurance Crime Bureau, American Property Casualty Insurance Association of America, Hawaii Insurers Council, and Catholic Charities Hawai'i. Your Committee received comments on this measure from Schnitzer Steel Hawaii.

Your Committee finds that the theft of catalytic converters has been on the rise. According to data from the National Insurance Crime Bureau, catalytic converter thefts were four times higher in 2020 than in 2019. Stolen or recycled catalytic converters can usually be resold on the market for around \$250; however, replacing a stolen catalytic converter can cost a car owner around \$1,000 or more. This measure will act as a deterrent to individuals and businesses involved in the disposal and acquisition of stolen catalytic converters.

Your Committee has amended this measure by:

- (1) Amending the required period for retaining records for catalytic converter purchases to three years, rather than two years;
- (2) Exempting licensed scrap dealers, when purchasing catalytic converters from other licensed commercial vendors, from the written statement requirements for motor vehicle parts dealers that purchase catalytic converters, as scrap dealers are already required to obtain written statements and verify identification prior to purchasing scrap;



- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2279, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2279, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



AARON LING JOHANSON, Chair



