

accessory which has been the subject of prior sale at retail, either individually or attached to a motor vehicle as a component part or accessory thereof." That definition would appear to include a catalytic converter. The Department recommends confining the regulation of catalytic converters to chapter 289, HRS.

Page 1 of the bill at lines 4-10, attempts to establish the crime of theft of catalytic converter as follows:

- (1) A person commits the offense of theft of catalytic converter if the person:
 - (a) Obtains a catalytic converter through any means described in section 708-830; or
 - (b) Violates section 445-233 in regard to a scrap catalytic converter.

In paragraph (a), the use of "obtains" is limiting, as it does not include other terms used in the section 708-830, HRS, theft provisions, such as "exert unauthorized control" or "receives, retains, or disposes" of property. Section 708-800, HRS, has separate definitions for "obtain" and "receives." To be more encompassing and consistent with section 708-830 and existing Penal Code provisions, paragraph (a) should simply read, "commits theft of a catalytic converter." This would be consistent with the theft of firearm and dynamite provisions of section 708-830.5, HRS, or the theft of beer keg provisions of section 708-835.8, HRS. And the theft provisions of section 708-830, HRS, would automatically apply.

Paragraph (b) at page 1, lines 9-10, should be deleted. It does not describe a theft offense, as violations of section 445-233, HRS, involve violations of transaction documentation requirements, not theft itself. And violations of section 445-233, HRS, already have their own penalties, as set out in section 445-235, HRS.

The Department appreciates the opportunity to share its concerns.



John Uekawa, President
Dave Rolf, Executive Director



HADA Testimony in SUPPORT of SB1282 RELATING TO CATALYTIC CONVERTERS

Presented to the Senate Committee on Commerce and Consumer Protection
at the Public Hearing 10:30 a.m. Tuesday, February 16, 2021 in Room 229

VIA VIDEO CONFERENCE
Hawaii State Capitol

by David H. Rolf for the members of the Hawaii Automobile Dealers Association

Chair Baker, Vice Chair Chang and members of the committee:

HADA dealers support this bill to prevent the theft of catalytic converters from motor vehicles.

The value of the precious metals in catalytic converters is fueling a dramatic upswing in thefts from cars stored at dealerships. The amounts of precious metals—including platinum, palladium or rhodium—causes this vital auto part, which is a required component of motor vehicles today, to be worth hundreds of dollars at some scrap yards.

This bill proposes to establish the offense of theft of catalytic converter as a class C felony, and requires sellers of scrap catalytic converter and catalytic metals to provide receipts and notarized declarations to the scrap dealer, and prohibits scrap dealers from purchasing scrap catalytic converters and catalytic metals without the seller providing a receipts and notarized declaration. The bill also requires scrap dealers to report to the police certain attempted sells of catalytic converters or catalytic metals.

Catalytic converter theft is a problem that is widespread here, and in the mainland, and is a fad in the dark theft world. One dealer on the island of Hawaii reports that trucks are often hit because it is easy to slide under the vehicle with an electric saw. He said he has heard that thieves can remove the catalytic converter from under the truck in less than a minute.

Another dealer on Oahu reports that his dealership has seen the thieves focus on his hybrid vehicles.

This bill will be helpful in preventing the thefts by making it difficult for the thieves to sell the product at scrapyards without running a higher risk of detection.

HADA testimony in support of SB1282, page 2 of 2

HADA dealers respectfully ask that the committee pass SB1282.

Respectfully submitted,

David H. Rolf

For the members of the Hawaii Automobile Dealers Association

68 new car dealerships, 4,383 direct jobs, \$5.8 billion total sales, \$269 million State Gross Excise Taxes paid

February 16, 2021
10:30 a.m.
Hawaii State Senate
Committee on Commerce & Consumer Affairs

Re: SB 1282, Relating to Catalytic Converters

Aloha Chair Baker, Vice Chair Chang, and members of the committee:

On behalf of Schnitzer Steel Hawaii, we are testifying on SB 1282, Relating to Catalytic Converters. This bill establishes the offense of theft of catalytic converter as a class C felony. It defines "catalytic converter," "catalytic metals," and "scrap catalytic converter." This bill also requires sellers of scrap catalytic converter and catalytic metals to provide receipts and notarized declarations to the scrap dealer.

We applaud the legislature's efforts at addressing the significant economic and community impact of metals thefts. Schnitzer Steel Hawaii Corp, which was formerly known as Hawaii Metal Recycling is now part of Schnitzer Steel Industries, Inc., a global leader in the metals recycling industry. As one of the nation's largest recyclers of scrap metal, Schnitzer's Metals Recycling Business collects, trades, brokers, processes and recycles metal, both ferrous (containing iron) and nonferrous (not containing iron). In addition to our deep and longstanding commitment to the highest standards of environmental stewardship, we are deeply committed to reducing metals theft and actively work with Hawaii's law enforcement community to prevent and address metals theft.

We respectfully request that the provisions requiring additional documentation for scrap dealers in this bill (which would be duplicative when a manufacturing, industrial, or commercial vendor that generates or sells catalytic converters to a scrap dealer) be exempted by adding the phrase "by anyone other than a licensed scrap dealer" as follows:

Page 3, Line 16:

if the scrap presented for purchase by anyone other than a manufacturing, industrial, or other commercial vendor that generates or sells catalytic converters in the ordinary course of its business such as a license scrap dealer, towing company or muffler repair shop is scrap catalytic converter...

This exemption is consistent with that found in many states that address catalytic converter theft and would eliminate unnecessary additional costs that do not contribute to compliance or enforcement. We support the initial requirement of such documents and again thank you for addressing metals theft in Hawaii.

Mahalo for the opportunity to testify.



phone 808.523.7750
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Roberts Hawaii, Inc.
444 Niu Street, Suite 300
Honolulu, HI 96815

www.robertshawaii.com

February 12, 2021

Honorable Chair Rosalyn Baker,
Vice Chair Stanley Chang & Members of the Senate Committee on Commerce
and Consumer Protection

Re: Testimony in Support of SB1282

Chair Baker, Vice-Chair Chang and Members of the Senate Committee on
Commerce and Consumer Protection:

Roberts Hawaii *strongly* supports Senate Bill 1282, which makes theft of catalytic converters a class C felony and requires scrap dealers to perform certain responsibilities and to obtain information and documentation from the seller at the time of sale.

As the largest ground transportation and tour operator in the State of Hawaii, Roberts Hawaii has a large fleet of vehicles that support a diverse range of transportation services to our community. In 2020 alone, we were the victims of theft and damage of no less than 26 catalytic converters that were installed on Special Education vehicles that we use to service students on our Department of Education routes. The theft and damage occurred on multiple occasions, typically occurring at night or on the weekends. The approximate value of the parts was \$38,500, requiring more than 100 hours of labor to repair our vehicles.

Making theft of catalytic converters a class C felony and requiring licensees to secure proper ownership documentation will disincentivize the destruction and theft of our property and undermine any illegal after-market use or sale of our stolen catalytic converters. This law would also have the benefit of protecting our vehicles, thereby ensuring continuity of service to the Department of Education and our other partners.

Thank you for the opportunity to testify on this measure.

Sincerely,

Roy Pfund
President & Chief Executive Officer



To: The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair
Senate Committee on Commerce and Consumer Protection

From: Mark Sektnan, Vice President

Re: SB 1282 – Relating to Catalytic Converters
APCIA Position: SUPPORT

Date: Tuesday, February 16, 2021
10:30 a.m.; Conference Room 229

Aloha Chair Baker, Vice Chair Chang, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support SB 1282**, which requires sellers of scrap catalytic converter and catalytic metals to provide receipts and notarized declarations to the scrap dealer, and establishes the offense of theft of catalytic converter as a class C felony. Representing nearly 60 percent of the U.S. property casualty insurance market, the American Property Casualty Insurance Association (APCIA) promotes and protects the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe.

Catalytic converter theft is on the rise, in part due to the rise in prices associated with precious metals, including rhodium, platinum, and palladium, which are used in the construction of catalytic converters as these metals act as catalysts, removing toxic elements from the exhaust stream.

The relative ease and speed in which a thief can remove a catalytic converter, coupled with the financial reward a thief can reap selling the scrap metal is what drives thefts. Installing a replacement catalytic converter can cost several hundred to several thousand dollars, and because thieves try to remove the converters as quickly as possible, their hastiness often causes repair costs to be higher due to other areas of the car being damaged. Among the most targeted business establishments for catalytic converter thefts are vehicle dealerships and fleet operation such as shipping companies. This is due to the large number of converters all in the same place. Thefts from these types of places can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations.

SB 1282 would establish the offense of theft of catalytic converter as a class C felony and require scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of copper, beer kegs, and urns.

For these reasons, APCIA asks the committee to **pass** this bill.

SB-1282

Submitted on: 2/15/2021 12:03:54 PM

Testimony for CPN on 2/16/2021 10:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Kausuke Kuroda	Testifying for Hakuyosha International, Inc.	Support	No

Comments:

We strongly support SB1282, in order to stop this rampant of stealing catalytic converters and scrapping companies buying them out without questioning anything for quick money.

In the early morning on January 11th, 2021, we had a culprit who broke into our closed parking lot and stole 4 catalytic converters from our delivery van.

There was a painful amount of repair cost that will eat us during this very tough economic situation with 6-70% sales down, compared to 2019.

We just do not understand why these thugs are able to bring those stolen items to scrappers and being able to receive easy money without any documentation.

This should be treated exactly as the copper lines, which had the same issues years ago.

I hope this bill will proceed and stop this ridiculous rampant.

Thank you,

Kausuke Kuroda

Hakuyosha International, Inc.

Senator Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection

James Nutter, President
Island Recycling, inc.
91-140 Kaomi Loop
Kapolei, Hawaii 96707
808-682-9200



Tuesday, February 16, 2021
10:30 A.M.

RE: Our position to support SB 1282

Island Recycling is one of the largest recycling companies in Hawaii. Started in 1983, Island Recycling recycles ferrous, non-ferrous metals, wastepaper, glass, plastic, and other recyclable products. Island Recycling ships well over one hundred containers per month of recyclables to Pacific Rim Countries. We are one of only two companies in Hawaii that operate shredders to process scrap steel.

This written testimony is to support SB 1282.

One of the items that we purchase is catalytic converters. We purchase them from individuals, business's (such as car dealerships) and those that are attached to cars that are being scrapped. With the price for palladium, platinum and rhodium increasing, the catalytic converters that contain these precious metals have skyrocketed in value.

Catalytic converters, like copper when it reached \$4.00 per pound, have become a hot commodity to steal and resell for scrap value. And like copper, a harsher penalty for those who are caught stealing is necessary. Adding a paper trail that properly identifies the thieves will assist in making the sales of stolen products more difficult with a valid I.D. and signed notary as stated in SB 1282

Island Recycling is proud to say that we already comply with the restrictions in SB 1282. Implemented last year, we take a strong stance against stealing and wrongful business transactions. We require a notary statement, a presented proper I.D., and we take a picture of the converter with the seller and then keep the records.

SB 1282 would make the requirements presented in this bill mandatory throughout Hawaii. The enforcement of these procedures on all Hawaii Companies buying catalytic converters is essential.

Sincerely,
James Nutter, President
James Nutter

February 16, 2021

Chair Rosalyn Baker and Members of the Committee
Committee on Commerce and Consumer Protection
Hawaii Senate

LATE

RE: Senate Bill 1282 – Catalytic Converter Theft

Dear Chair Baker and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Hawaii. Working hand-in-hand with our member companies and law enforcement, we investigate organized criminal conspiracies dealing with insurance and vehicle crime.

Catalytic converter theft is on the rise, in part due to the rise in prices associated with precious metals, including rhodium, platinum, and palladium which are used in the construction of catalytic converters as these metals act as catalysts, removing toxic elements from the exhaust stream.

The relative easy and speed in which a thief can remove a catalytic converter, coupled with the financial reward a thief can reap selling the scrap metal is what drives thefts.

Installing a replacement catalytic converter costs hundreds to thousands of dollars, and because thieves try to remove the converters as quickly as possible, their hastiness often causes repair costs to be higher due to other areas of the car being damaged.

Among the most targeted business establishments for catalytic converter thefts are vehicle dealerships and fleet operation such as shipping companies. This is due to the large number of converters all in the same place. Thefts from these type of places can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations.

Subsequently, we ask for your support of SB 1282 which, among other things, establishes the offense of theft of catalytic converter as a class C felony, and requires scrap dealers to follow the same requirements regarding a written statement for the purchase of a catalytic converter as is required for the purchase of copper, beer kegs, and urns.

Thank you for your review and consideration; if you have any questions or need additional information, please contact me at hhandler@nicb.org or 847-544-7083.

Sincerely,



Howard Handler
Senior Director, Government Affairs

SB-1282

Submitted on: 2/12/2021 9:08:39 PM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tara Rojas	Individual	Support	No

Comments:

I support SB1282

SB-1282

Submitted on: 2/13/2021 7:26:16 PM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
elizabeth tatofi	Individual	Support	No

Comments:

This is a huge problem throughout the entire state! It's about time something gets put in to crack down on this problem

SB-1282

Submitted on: 2/13/2021 8:36:38 PM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rayne Kauhi	Individual	Support	No

Comments:

I strongly support SB 1282

SB-1282

Submitted on: 2/13/2021 8:40:23 PM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Kauhi	Individual	Support	No

Comments:

Strongly Support

LATE

SB-1282

Submitted on: 2/16/2021 7:15:56 AM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Raiza Dalofin	Individual	Support	No

Comments:

People should not be making money or creating a livelihood through theft. Please support this bill

LATE

SB-1282

Submitted on: 2/16/2021 9:51:42 AM

Testimony for CPN on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Allen Cardines, Jr.	Individual	Support	No

Comments:

Honorable Chair Baker and Members of the Committee of Commerce and Consumer Affairs,

I support SB1282 because we have a BIG problem stealing and selling of catalytic converters in our community. I humbly ask that pass SB1282.

Thank you,

Allen Cardines, Jr.