



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

S.B. NO. 576, S.D. 1, RELATING TO USED MOTOR VEHICLE PARTS.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY

DATE: Tuesday, February 23, 2021 **TIME:** 9:45 a.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Lance Goto,
Deputy Attorney General, at 586-1160)

Chair Rhoads and Members of the Committee:

The Department of the Attorney General (Department) submits comments on this bill.

The purpose of this bill is to address the problem of theft and resale of catalytic converters by: (1) requiring licensed used motor vehicle part dealers who deal with catalytic converters to keep records of purchases and sales of catalytic converters; (2) requiring the seller to file a written statement that the seller has the lawful right to sell and dispose of the catalytic converter; and (3) establishing the offense of theft of catalytic converter as a class C felony.

The Department has concerns about section 3 of the bill, on page 5, line 12, through page 6, line 5, which would add a new section in chapter 708, Hawaii Revised Statutes (HRS), 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 289- , in regard to a catalytic converter.
- (2) For the purposes of this section, "catalytic converter" means a device that is incorporated in a motor vehicle's exhaust system and contains a catalyst for converting pollutant gas emissions into less harmful emissions.

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

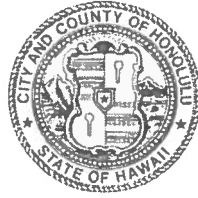
In subsection (1)(a), at page 5, lines 18-19, the use of "obtains" is limiting, as it does not include other terms used in the section 708-830, HRS, theft provisions, such as "exert unauthorized control" or "receives, retains, or disposes" of property. Section 708-800, HRS, has separate definitions for "obtain" and "receives." To be more encompassing and consistent with section 708-830, HRS, 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.

Subsection (1)(b) at page 5, lines 20-21, should be deleted. It does not describe a theft offense, as violations of chapter 289 would involve violations of transaction documentation, licensing, and record keeping requirements, not theft itself. And violations of chapter 289 already have their own penalties, as set out in section 289-8, HRS.

The Department appreciates this opportunity to provide comments.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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OUR REFERENCE
PO-KK

February 23, 2021

The Honorable Karl Rhoads, Chair
and Members
Committee on Judiciary
State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Rhoads and Members:

SUBJECT: Senate Bill No. 576, S.D. 1, Relating to Used Motor Vehicle Parts

I am Paul Okamoto, Captain of the Criminal Investigation Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD supports Senate Bill No. 576, S.D. 1, Relating to Used Motor Vehicle Parts.

Theft of catalytic converters has proliferated in our county, and officers have been taxed attempting to stop this crime. Hundreds of cases have already been reported this year. The difficulty lies in the ease and speed in which the catalytic converters are removed from vehicles and that however diligently our officers patrol their beats, the theft can often take less than a minute to perpetrate.

Much like the perniciousness of copper thefts that plagued our communities several years ago, this crime is similar in that it causes an enormous amount of damage and inconveniences the victims and disrupts their lives tremendously. Businesses and citizens not only incur the cost of replacing their catalytic converters, which often cost thousands of dollars, the additional cost of not having their vehicles for days on end while they are being repaired compounds the loss.

The theft is driven by the high price of precious metals contained within the catalytic converters, as well as the ease in which the criminals are able to sell these

The Honorable Karl Rhoads, Chair
and Members
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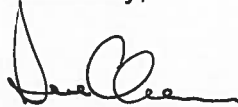
items to recyclers who turn a blind eye while purchasing them. There is no oversight in reporting suspicious persons who sometimes bring several catalytic converters at a time to recyclers who have no curiosity in ascertaining the origins of these items. Recyclers can pay several hundred dollars per item, depending on the make and model of the catalytic converter.

Currently, officers are ill-equipped to conduct enforcement in this area due to the lack of any strong legislation that addresses this issue. The appraisal value of the catalytic converter is usually lower than the felony theft threshold amount, and the police department is forced to charge these criminals with nothing more than a petty misdemeanor. The low risk of being caught and the high price that these items command in the recycling world make catalytic converter thefts a decision that requires very little thought in the criminal mind. Without strong legislation, the HPD will not have the tools to adequately combat this problem, and these thefts will only grow in frequency in the future.

The HPD supports Senate Bill No. 576, S.D. 1, Relating to Used Motor Vehicle Parts.

Thank you for the opportunity to testify.

Sincerely,



Paul Okamoto, Captain
Criminal Investigation Division

APPROVED:



Susan Ballard
Chief of Police



To: The Honorable Karl Rhoads, Chair
The Honorable Jarrett Keohokalole, Vice Chair
Committee on Judiciary

From: Mark Sektnan, Vice President

Re: SB 576 SD1 – Relating to Used Motor Vehicle Parts
APCIA Position: SUPPORT

Date: Thursday, February 23, 2021
9:45 a.m.; Via Videoconference

Aloha Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee:

The American Property Casualty Insurance Association of America (APCIA) is pleased to **support SB 576 SD1**, which requires licensed used motor vehicle part dealers to obtain a written statement by a seller of a catalytic converter that the seller has the lawful right to sell and dispose of the catalytic converter 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 576 SD1 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-576-SD-1

Submitted on: 2/19/2021 7:55:48 AM

Testimony for JDC on 2/23/2021 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nora Holzem	Individual	Support	No

Comments:

I support this measure as something needs to be done to make it difficult if not impossible for thieves to sell stolen parts.