



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

ON THE FOLLOWING MEASURE:

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

BEFORE THE:

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

DATE: Thursday, February 4, 2021 **TIME:** 9:30 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 Baker 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 4 of the bill, on pages 5-6, which 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 289- , in regard to a catalytic converter.
- (2) Any person who knowingly receives a stolen catalytic converter shall be guilty of a class C felony and shall be sentenced in

accordance with chapter 706

To be consistent with existing Penal Code provisions, paragraph (a) could 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, or the theft of beer keg provisions of section 708-835.8, Hawaii Revised Statutes (HRS). And the theft provisions of section 708-830, HRS, would automatically apply.

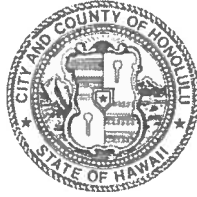
Paragraph (b) should be deleted. It does not describe a theft offense, as violations of chapter 289 involve violations of those provisions, not theft itself. And violations of chapter 289 already have their own penalties, as set out in section 289-8, HRS.

Subsection (2) establishes the grade of offense and penalty for only the form of theft of catalytic converter that involves the knowing receipt of stolen property. All the other forms of theft under section 708-830 are left unaddressed. If this is to be the penalty provision for this section, it should read, "Theft of catalytic converter is a class C felony."

The Department appreciates this opportunity to provide comments.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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OUR REFERENCE PO-KK

February 4, 2021

The Honorable Rosalyn H. Baker, Chair
and Members
Committee on Commerce and
Consumer Protection
State Senate
Hawaii State Capitol
415 South Beretania Street, Room 229
Honolulu, Hawaii 96813

Dear Chair Baker and Members:

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

Currently, officers are ill-equipped to conduct enforcement in this area due to the lack of any strong legislation that addresses this issue. Changing the classification of this offense to a felony will help curb the increasing proliferation of this crime and lead to a decrease in incidents.

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

Thank you for the opportunity to testify.

APPROVED:

A handwritten signature in cursive script, reading "Susan Ballard".

Susan Ballard
Chief of Police

Sincerely,

A handwritten signature in cursive script, reading "Paul Okamoto".

Paul Okamoto, Captain
Criminal Investigation Division



To: The Honorable Rosalyn H. Baker, Chair
The Honorable Stanley Chang, Vice Chair

From: Mark Sektnan, Vice President

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

Date: Thursday, February 4, 2021
9:30 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 576**, 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 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.



February 3, 2021

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

RE: Senate Bill 576 – 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 combat insurance fraud and crime through data analytics, investigations, learning and development, government affairs and public affairs.

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 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 operations 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.

Accordingly, we ask for your support of SB 576 which, among other things, establishes the offense of theft of catalytic converter as a class C felony and requires licensed used motor vehicle part dealers to keep records of purchases and sales of catalytic converters and obtain a receipt or notarized statement from the seller indicating their lawful right to sell the catalytic converter.

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



improving the quality of lives of pets and their people.

Testimony by Alicia Maluafiti, Board President Poi Dogs & Popoki
In strong support of SB 576 - Relating to Used Motor Vehicle Parts
Senate Committee on Commerce and Consumer Protection
Thursday, February 4, 2021

Aloha Chair Baker and members of the Committee,

Poi Dogs & Popoki (PDP) is a nonprofit animal welfare organization with a mission to help people and their pets. We operate The Big Fix, a mobile spay/neuter and wellness vehicle on the island of Oahu which provides affordable services for low income pet owners in rural and at risk communities.

In less than 2 years, the catalytic converter has been stolen from our mobile clinic three times. Our vehicle is 26 feet long and looks like a recreation vehicle. The first time, the thief was unable to completely remove the converter but it was significantly damaged and required replacement. In December, the converter was stolen while our vehicle sat parked in the parking lot at the Town Center of Mililani. We were unable to secure the safety check with the missing part and had to wait 30 days for the part to be ordered and shipped to Hawaii. The converter was replaced in January and we immediately secured the safety check. Three weeks later – the converter was stolen again from the same parking lot.

The cost to replace one catalytic converter is \$2000. The thief is receiving about \$180 from illegal dealers. We are a small nonprofit and cannot afford to replace another converter. We have 11 months to save up enough money before we need to take the vehicle in for another safety check. **We recommend amending the bill to allow safety checks to be approved even if a catalytic converter is missing to give the owner enough time to save up the money to replace the piece. Owners would get one pass on the inspection and would need the part replaced by the next safety check.**

Mahalo for the opportunity to provide testimony.