



SB 1087 (Gonzalez) – Catalytic Converter Theft Prevention

SUMMARY

Senate Bill (SB) 1087 aims to address the dramatic rise in catalytic converter theft in California’s communities by targeting black-market sales of detached catalytic converters. Specifically, SB 1087 will limit who can legally purchase a detached catalytic converter, who can sell a catalytic converter to a core recycler (scrap metal recyclers), and close loopholes in existing law to bring transparency to the sale of detached catalytic converters.

EXISTING LAW

Existing law requires core recyclers to keep records of purchases and sales of catalytic converters unless the core recycler and the seller of the catalytic converter have a written agreement for the transaction.

Existing law prohibits a core recycler from providing payment for a catalytic converter unless the payment is made by check, the check is mailed or provided after three days after the day of sale, unless the core recycler obtains a photo or video of the seller, a written statement regarding the origin of the catalytic converter, and other identifying information.

Existing law requires core recyclers to provide local law enforcement with information for inspection upon demand and provides that a violation of this law is punishable as a misdemeanor.

BACKGROUND/PROBLEM

More than 8,000 Californians have reported having their catalytic converter stolen in the first five months of 2021, and this number has only increased since then. According to police and auto insurance data

analyzed by BeenVerified. That’s a 33-percent increase for 2020 and a 380-percent increase over 2019, when only 1,254 thefts were reported.¹

A catalytic converter is a device that is designed to convert the environmentally hazardous exhaust emitted by an engine into less harmful gasses. Catalytic converter theft has become a major problem and a major source of property loss due to several general issues, that when taken together, cause catalytic converters to become a prime target for thefts.

Catalytic converters include precious metals that include platinum, palladium, or rhodium. In recent years, the values of these precious metals have increased significantly. The cost of the metals has soared because of the global demand for emission control devices. As of December 2020, rhodium was valued at \$14,500 per ounce, palladium at \$2,336 per ounce, and platinum going for \$1,061 per ounce. Typically, recyclers will pay \$50 to \$250 per catalytic converter.²

There are six factors that have impacted the increase in catalytic converter theft: (1) there is demand within the scrap metal market for the valuable Platinum Group Metals contained within catalytic converters; (2) criminals can quickly and easily remove catalytic converters from vehicles; (3) catalytic converters are not readily traceable back to the vehicle they were removed from; (4) catalytic converters can be de-

¹ <https://www.nbclosangeles.com/news/local/catalytic-converter-theft-reports-california-most-common-cars-models/2676510/>

² National Insurance Crime Bureau. 2021. “Catalytic Converter Theft Skyrocketing Nationwide” <https://www.nicb.org/news/news-releases/catalytic-converter-theft-skyrocketing-nationwide>

canned, which removes any ability for law enforcement to identify where they originated from; (5) catalytic converters can be sold in bulk without the need to advertise them for sale; and (6) there are many buyers that can purchase detached catalytic converters and accept bulk shipments with very limited scrutiny.³

The combination of all these factors create an environment where a catalytic converter can be easily stolen and illegally sold at scrap yards, metal recycling centers, shipped out of state, or dismantled in backyard operations. Additionally, when law enforcement encounters an individual with numerous detached catalytic converters they can't seek a prosecution because there is no way to trace the catalytic converter to a specific victim.

While there are existing laws that attempt to regulate the sale of catalytic converters, they are inadequate, and only apply to sales conducted by core recyclers.

SOLUTION

SB 1087 will address catalytic converter theft by prohibiting the purchase of a detached catalytic converters unless it is purchased from the owner of the vehicle the catalytic converter was removed from, or from an automobile manufacturer, dealer, dismantler, auto repair specialist, or any other business that generates, possess, or sells used catalytic converters. The bill would make a violation of this law and infraction punishable with a fine between \$1,000-5,000.

SB 1087 additionally closes loopholes in current law that exempt core recyclers involved in written purchase agreements by clarifying that catalytic converters sold pursuant to a written agreement can only be exempted from record keeping requirements if the agreement includes a regularly updated log or record describing each catalytic converter received under the agreement and its provenance.

³ National Salvage Vehicle Reporting Program and International Association of Auto Theft Investigators. 2021. "Catalytic Converter Theft: Working Towards Effective Solutions" <https://www.iaati.org/about/documentation/nsvrp-iaati-white-paper-on-addressing-catalytic-converter-theft>

Furthermore, SB 1087 would prohibit a core recycler from purchasing a catalytic converter from anyone other than automobile dismantlers, auto repair dealers, or an individual possessing documentation that they are the lawful owner of the catalytic converter.

CONTACT

Arianna Medel, Legislative Aide
(916) 651-4033
Arianna.Medel@sen.ca.gov