

Date of Hearing: April 17, 2023

ASSEMBLY COMMITTEE ON TRANSPORTATION

Laura Friedman, Chair

AB 1519 (Bains) – As Amended March 20, 2023

SUBJECT: Vehicles: catalytic converters

SUMMARY: Makes it a misdemeanor to remove, alter, or obfuscate any vehicle identification number (VIN) or other unique marking that has been added to a catalytic converter and makes it a misdemeanor to knowingly possess three catalytic converters that have a VIN or other unique marking removed, altered, or obfuscated. Specifically, **this bill:**

- 1) Makes it an infraction to knowingly possess one or two catalytic converters that have a VIN or other unique marking removed, altered, or obfuscated.
- 2) Provides that neither the crime of VIN removal from a catalytic converter or possession of a catalytic converter with a VIN removed apply in the following circumstances:
 - a) To a person who is removing, altering, or obfuscating a VIN or other unique marking in order to apply a new VIN or unique marking because the catalytic converter is being lawfully installed on a different vehicle.
 - b) To a person that is disassembling, smelting, or otherwise permanently destroying a catalytic converter lawfully in their possession.

EXISTING LAW:

- 1) Provides that no person shall install, sell, offer for sale, or advertise any device, apparatus, or mechanism intended for use with, or as a part of, a required motor vehicle pollution control device or system, including catalytic converters, that alters or modifies the original design or performance of the motor vehicle pollution control device or system. If the court finds that a person has willfully violated this section, the court shall impose the maximum fine that may be imposed in the case, and no part of the fine may be suspended. (Vehicle Code section (VEH) 27156 and 38391)
- 2) States that no person shall either individually or in association with one or more other persons, willfully injure or tamper with any vehicle or the contents thereof or break or remove any part of a vehicle without the consent of the owner. This offense is a misdemeanor, punishable by imprisonment in the county jail not exceeding six months, or by fine not exceeding \$1,000, or by both. (VEH 40000.9.)
- 3) States that no person shall with intent to commit any malicious mischief, injury, or other crime, climb into or upon a vehicle whether it is in motion or at rest, nor shall any person attempt to manipulate any of the levers, starting mechanism, brakes, or other mechanism or device of a vehicle while the same is at rest and unattended, nor shall any person set in motion any vehicle while the same is at rest and unattended. This offense is a misdemeanor, punishable by imprisonment in the county jail not exceeding six months, or by fine not exceeding \$1,000, or by both. (VEH 10853, 40000.9)

- 4) Provides that every person who defaces, damages or destroys real or personal property that is not their own, is guilty of vandalism. If the amount of the damage is less than \$400, the offense is a misdemeanor, punishable by imprisonment in a county jail, not exceeding one year, or by a fine of \$1,000 or by both. If the amount of the damage is \$400 or more, the offense is a felony, punishable imprisonment in a county jail not exceeding one year, or by a fine of not more than \$10,000, or both. (Penal code section (PEN) 594).
- 5) Defines “Receiving stolen property” as buying or receiving any property that has been stolen knowing the property is stolen, or concealing, selling, or withholding any property from the owner, knowing the property is stolen. Receiving stolen property that does not exceed \$950 is a misdemeanor, as specified, and receiving stolen property that exceeds \$950 is a wobbler. (PEN 496).
- 6) Defines “Grand theft” as theft that is committed when the money, labor, or real or personal property taken is of a value exceeding \$950, except as specified, and states that grand theft is a wobbler. (PEN 487, 488, 489)
- 7) Defines “Petty theft” as obtaining any property by theft where the value of the money, labor, real or personal property taken does not exceed \$950 and states that petty theft is a misdemeanor, punishable by a fine not exceeding \$1,000 or by imprisonment in the county jail not exceeding six months, or both. (PEN 490, 490.2)

FISCAL EFFECT: Unknown

COMMENTS:

Catalytic converter thefts are on the rise. The Bureau of Automotive Repair (BAR) reported about 1,600 converter thefts per month statewide in 2021. According to data provided by the Personal Insurance Federation of California, insurance claims for catalytic converter thefts in California have gone up from a monthly average of 183 in 2020 to 477 claims in January of 2022. Claims rose by 308% from 2019 to 2020 and 100% from 2020 to 2021. California had the highest number of claims in the United States, accounting for 28% of all theft claims in the country. The insurance industry paid over \$23 million in repair costs for catalytic converters in 2021 alone, an 11.5% increase from the year before.

A catalytic converter is an exhaust emission control device that converts toxic gases and pollutants in exhaust gas from an internal combustion engine into less-toxic pollutants.

Catalytic converter theft has been on the rise because they are coated with precious metals such as rhodium that is valued at over \$14,000 per ounce and palladium which is valued at \$2,500 per ounce. Toyota and Honda vehicles have been particularly attractive to thieves, because the location of the converters on certain vehicles that make it so that a thief can steal one with basic tools, such as a pipe wrench or cordless saw, in a manner of minutes.

The increase in theft, combined with supply chain issues has resulted in a shortage of replacement catalytic converters. This is likely to grow worse because of the war in Ukraine and Russia being the world’s largest producer of palladium.

BAR has made several recommendations to deter theft of catalytic converters, including parking cars in well-lit areas, installing motion-sensing alarm systems, installing theft prevention devices like steel cages, and etching the converter shell with a VIN or license plate number.

According to the author, “Marking vehicle parts with a VIN allows stolen parts to be traced back to the original vehicle, assists law enforcement to help victims, and hinders the ability of thieves to sell stolen parts on the black market. That is why the Federal Motor Vehicle Theft Prevention Standard has required manufacturers to mark the VIN on 18 different vehicle parts since 1984. Unfortunately, catalytic converters are not covered by the federal standard and are not required to be marked. Unless law enforcement catches a thief in the act, it is nearly impossible to establish guilty and prosecute thieves for this crime. AB 1519 encourages drivers to get their catalytic converters marked by imposing a misdemeanor for obfuscating the marking. It also imposes a misdemeanor for possessing three or more catalytic converters which have had their VIN markings obfuscated. Law enforcement need more tools to prosecute thieves once they are away from the crime scene, and drivers need to know that the cost of getting their catalytic converter marked is worth it and will effectively deter theft.”

Committee comments: Last year the Legislature passed and the Governor signed AB 1740 (Muratsuchi) Chapter 513, Statutes of 2022 and SB 1087 (Gonzalez) Chapter 514, Statutes of 2022, which prohibits a core recycler from entering into a transaction to purchase or receive a catalytic converter from any person that is not a commercial enterprise, as defined, or verifiable owner of the vehicle from which the catalytic converter was removed. These two laws place strict record-keeping requirements on core recyclers on where they got their catalytic converters from. The goal of that legislation is to make it harder for catalytic converter thieves to be able to sell their stolen catalytic converters to smelting operations. This removes the impetus to steal the catalytic converter to begin with as their value is not in the attachment of the device to another vehicle, but rather in the precious metals they contain.

Nonetheless, two bills have been introduced this session to make it a crime to possess a catalytic converter. It is already a crime to steal a catalytic converter, sell stolen property, and knowingly receive stolen property. Law enforcement has indicated to the Committee that they have had a difficult time catching catalytic converter thieves in the act. As a result, there have been numerous bills introduced in the past two legislative sessions to make it a crime to possess a detached catalytic converter, and several cities have passed ordinances making it a crime to merely possess a catalytic converter.

This bill makes it a crime for a person to knowingly possess a catalytic converter with a VIN that has been removed. AB 641 (Fong of 2023) makes it a misdemeanor to merely possess any catalytic converter without having to prove the item was indeed stolen unless they have an automobile dismantler license. Both of these bills rely on an officer catching someone with a catalytic converter without knowing if there is a theft victim. However, this bill only permits a criminal charge to be filed if a VIN number that would have made it possible to identify a victim was removed.

The bill is meant to be paired with SB 55 (Umberg of 2023) which requires a person holding a retail seller’s permit to sell new or used vehicles equipped with a catalytic converter to etch the catalytic converter with a VIN unless the buyer declines to have the VIN etched at the point of sale. The purpose of the VIN is to make it easier for law enforcement to identify a victim, a necessary element in proving there was indeed a victim in the theft and the property in

possession of another is not their own. A person removing that number would defeat that purpose of helping identify the victim. Thus, this bill attempts to make it easier to prosecute someone knowingly possessing a catalytic converter that has had a VIN or other identifying number removed.

Related Legislation:

SB 55 (Umberg) requires a person holding a retail seller's permit to sell new or used vehicles equipped with a catalytic converter to etch the catalytic converter with a VIN unless the buyer declines to have the VIN etched at the point of sale. *SB 55 passed out of Senate Transportation Committee and is pending before Senate Public Safety Committee.*

AB 641 (Fong) makes it a misdemeanor for a person to possess six or more used catalytic converters that have been cut from a vehicle unless they are a licensed automobile dismantler or are expressly excluded from having to be a licensed automobile dismantler. *AB 64 is pending before Assembly Transportation Committee.*

Previous Legislation:

AB 1740 (Muratsuchi) Chapter 513, Statutes of 2022 and SB 1087 (Gonzalez), Chapter 514, Statutes of 2022, which prohibits a core recycler from entering into a transaction to purchase or receive a catalytic converter from any person that is not a commercial enterprise, as defined, or verifiable owner of the vehicle from which the catalytic converter was removed.

AB 1653 (Patterson) Chapter 105, Statutes of 2022 adds vehicle burglary and theft of vehicle parts and accessories to the California Highway Patrol regional property crimes task force for organized retail theft. That bill passed out of the Assembly and is pending before the Senate Appropriations Committee.

SB 366 (Umberg) Chapter 601, Statutes of 2021 reconstituted the Vehicle Dismantling Industry Strike Team (VDIST), which amongst other things, requires a study the number of unlicensed automobile dismantlers investigated and the number of investigations that resulted in an enforcement action for the theft of catalytic converters.

SB 986 (Umberg of 2022) would have required a traceable method of payment for catalytic converters and prohibits a dealer or retailer from selling a new or used motor vehicle equipped with a catalytic converter unless the catalytic converter has been engraved or etched with the vehicle identification number (VIN) of the vehicle to which it is attached, punishable by an infraction, with exceptions. That bill died on the Assembly Floor.

AB 1622 (Chen of 2022) would have required the Department of Consumer Affairs to provide a licensed smog check station with a sign informing customers about strategies for deterring catalytic converter theft, including the etching of identifying information on the catalytic converter, and require the sign to be posted conspicuously in all licensed smog check stations in an area frequented by customers. The bill would also authorize stations where licensed smog check technician repairs are performed to offer and recommend to customers the etching as an optional service provided in conjunction with the smog check. That bill died in the Assembly Transportation Committee.

AB 1659 (Patterson of 2022) would have revised the definition of an “automobile dismantler” to include a person who keeps or maintains two or more used catalytic converters that are not attached to a motor vehicle on property owned by the person, or under their possession or control, for specified purposes. That bill died in the Assembly Transportation Committee.

AB 1984 (Choi of 2022) would have prohibited the purchase, sale, receipt, or possession of a stolen catalytic converter, as specified. The bill specifies that a peace officer would need not to have actual knowledge that the catalytic converter is stolen to establish probable cause for arrest, and that for prosecution, circumstantial evidence may be used to prove the stolen nature of the catalytic converter. That bill died in the Assembly Transportation Committee.

AB 2398 (Villapudua of 2022) would have made possession of a detached catalytic converter a wobbler, punishable by imprisonment in a county jail for not more than one year, or in the county jail for 16 months, or two, or three years. That bill failed passage in the Assembly Public Safety Committee.

AB 2407 (O'Donnell of 2022) would have required a core recycler to report specified information about the purchase and sale of catalytic converters to the chief of police or the sheriff, as prescribed, and to request to receive theft alert notifications regarding the theft of catalytic converters from a specified theft alert system. The bill would also require a core recycler to obtain the thumbprint of a seller of a catalytic converter and to preserve the thumbprint for two years. The bill would limit the inspection or seizure of a thumbprint to that performed by law enforcement pursuant to a criminal search warrant based upon probable cause. AB 2407 was held on suspense in Senate Appropriations Committee.

AB 2682 (Gray of 2022) would have required any automotive repair dealer that installs or replaces a catalytic converter on a motor vehicle to ensure that the catalytic converter is permanently marked with the vehicle identification number (VIN) of the vehicle on which it is being installed, as specified, with cost recovery and penalties, as specified. Requires a smog check station to notify a customer whether the catalytic converter is permanently marked, as specified. Prohibits a person from removing, altering, or obfuscating any VIN or other unique marking that has been added to a catalytic converter, or possessing a catalytic converter whether the VIN has been removed, altered, or obfuscated, and provides exceptions, as specified, and provides penalties, as specified. Requires no manufacturer shall deliver a new vehicle assembled after January 1, 2024, equipped with a catalytic converter for sale in this state unless the catalytic converter has been permanently marked with the VIN of the vehicle to which it is attached. That bill was held on suspense in Senate Appropriations Committee.

SB 919 (Jones of 2022) would have prohibited a core recycler from purchasing or otherwise receiving any catalytic converter that is not engraved, etched, or otherwise permanently marked with the VIN of the vehicle that it was removed from. The bill would require a core recycler to maintain a log that includes a description of all catalytic converters purchased or received by the core recycler, as specified. The bill would prohibit a person from buying, selling, receiving, or possessing a stolen catalytic converter as well as removing, altering, or obfuscating a VIN or other unique marking that has been added to a catalytic converter. This bill would prohibit a dealer or retail seller from selling a motor vehicle equipped with a catalytic converter unless the catalytic converter has been engraved, etched, or otherwise permanently marked with the VIN of the vehicle to which it is attached. SB 919 passed Senate Business, Professions and Economic Development Committee and died in Senate Public Safety Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Auto Club of Southern California (AAA)
California Association of Highway Patrolmen
California District Attorneys Association
California Police Chiefs Association
Peace Officers Research Association of California

Opposition

None on file

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