



Legislation Text

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Report regarding approval and support of Assembly Bill 2407 (O'Donnell), Assembly Bill 1740 (Maratsuchi), Assembly Bill 2682 (Gray), Senate Bill 986 (Umberg), and Senate Bill 1087 (Gonzalez) to combat catalytic converter thefts (*Tamiko Huey, Management Analyst II*)

RECOMMENDATION

[It is recommended that City Council support AB 2407 (O'Donnell) and AB 1740 (Maratsuchi), Assembly Bill 2682 (Gray), Senate Bill 986 (Umberg), and Senate Bill 1087 (Gonzalez) to help discourage, prevent, and prosecute the growing crime of catalytic converter theft in California and South San Francisco.

BACKGROUND/DISCUSSION

Consistent with statewide and nationwide data, the City of South San Francisco Police Department has seen a dramatic increase in catalytic converter thefts. Between 2020 to 2021, South San Francisco experienced a 250 percent increase in catalytic converter thefts. Between January 2021 and June 2022, the Police Department has investigated 433 cases. The city is averaging 24.1 thefts or attempted thefts per month.

Catalytic converters are targeted by thieves because they are non-traceable, can be scrapped for a quick profit in less than ten minutes, and contain precious metals such as palladium, rhodium, and platinum. Metal theft becomes a broad scale issue when the price of metals themselves increase, which is usually coupled with hard economic times. Catalytic converters can be sold to metal dealers, scrap yards, and recyclers for hundreds of dollars. Today, prices of these precious metals have increased dramatically due to the short supply prior to the COVID-19 pandemic and recent supply chain issues. Victims of this theft end up paying as much as \$3,000 to replace the stolen converter.

In California, existing laws make it extremely difficult for local law enforcement to stop the sale of stolen catalytic converters. These five measures, Assembly Bill 1740, Assembly Bill 2407, Assembly Bill 2682, Senate Bill 986, and Senate Bill 1087 are necessary to increase the tracking of catalytic converter sales and outline parameters for who may purchase or possess catalytic converters.

Assembly Bill 1740 (AB 1740)

Assembly Bill 1740 (Maratsuchi) requires a core recycler who accepts a catalytic converter to include a written record of the year, make, model, in addition to the vehicle identification number (VIN) of the vehicle and a copy of the title of the vehicle from which the catalytic converter was removed. The bill also prohibits a core recycler from entering a transaction to purchase or receive a catalytic converter from any person that is not a commercial enterprise or verifiable owner of the vehicle from which the catalytic converter was removed and requires a core recycler to verify specified information.

Support for AB 1740 includes: Alliance for Automotive Innovation, Auto Club of Southern California, California District Attorneys Association, California New Car Dealers Association, City of Oakland, City of Torrance, and National Insurance Crime Bureau.

To date, no opposition have been received.

Assembly Bill 2407 (AB 2407)

Assembly Bill 2407 (O'Donnell) requires a core recycler who accepts a catalytic converter for recycling to report the information in the specified written record to the Chief of Police or to the Sheriff, as specified; additionally it prohibits a core recycler from providing payment for the catalytic converter unless the recycler obtains a thumbprint of the seller and requires the recycler to maintain that thumbprint for a period of two years after the date of the sale; and requires a core recycler to request to receive theft alert notifications regarding the theft of catalytic converters in the core recycler's geographic region from the theft alert system, as specified.

Support for AB 2407 includes: Alliance for Automotive Innovation, City of Clovis, City of Downey, City of El Segundo, City of Elk Grove, City of La Mirada, City of Lakewood, City of Menifee, City of Paramount, City of Signal Hill, City of Torrance, City of Visalia, City of Wasco, City of Whittier, League of California Cities and Los Angeles Professional Peace Officers Association

To date, no opposition have been received.

Assembly Bill 2682 (AB 2682)

Assembly Bill 2682 (Gray) requires any automotive repair dealer that installs or replaces a catalytic converter on a vehicle to ensure that the catalytic converter is permanently marked with the vehicle identification number (VIN). Additionally, the bill requires a smog check inspection site to inspect the exterior of the catalytic converter, and if any, notify the customer whether or not the catalytic converter is permanently marked with the VIN of the vehicle being tested. Further, the bill prohibits a person from removing, altering, or obfuscating any VIN or other unique marking that has been added to a catalytic converter and prohibits a dealer or person holding a retail seller's permit from selling a new or used vehicle with a catalytic converter unless that catalytic converter has been permanently marked with the VIN of the vehicle on which it is being installed. Civil penalties will be imposed to those who violate the bill's provisions, which will increase as separate violations accumulate. Certain exemptions are made for situations that involve dealer to dealer wholesale auctions, among others.

Support for AB 2682 include: California District Attorneys Association, California New Car Dealers Association, Personal Insurance Federation of California and Valley Clean Air Now.

Opposition has been received by Automotive Innovation.

Senate Bill 986 (SB 986)

This bill prohibits a dealer or permitted retail seller from selling a new or used vehicle 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. Relatedly, the bill requires a core recycler who accepts catalytic converters for recycling to maintain written records that contain a description of any catalytic converter the recycler purchases or sells that includes any unique identification number, VIN or any other identifying information etched or engraved on the catalytic converter. The author intends this bill to enable law enforcement to establish that a given catalytic converter was stolen, thereby leading to successful prosecution of the crime and, indirectly, reduction in the theft of catalytic converters.

Support for SB 986 include: Los Angeles District Attorney (Sponsor), Auto Club of Southern California (AAA), City of Beverly Hills, City of Buena Park, California Contract Cities Association, California District Attorneys Association, California Low-income Consumer Coalition, City of Long Beach, City of Rancho Palos Verdes, Consumers for Auto Reliability & Safety, Fountain Valley Police Department, City of Huntington

Beach, Insurance Auto Auctions, INC, City of Lakewood, City of Lasd, Orange County Sheriff's Department, Prosecutors Alliance California and Prosecutors Alliance of California.

Opposition have been received by Alliance for Automotive Innovation, California New Car Dealers Association, and National Auto Auction Association.

Senate Bill 1087 (SB 1087)

This bill prohibits a person from purchasing a used catalytic converter except from specified sellers and makes a violation of this prohibition punishable as an infraction. This bill also prohibits a core recycler from purchasing a catalytic converter from anyone other than these same specified sellers. Civil penalties, beginning at \$1,000, will be imposed to those who violate the bill's provisions, which will increase as separate violations accumulate. Certain exemptions are made for situations that involve dealer to dealer wholesale auctions, among others.

Support for SB 1087 include: Alliance for Automotive Innovation, Auto Club of Southern California (AAA), California Association of Highway Patrolmen, California District Attorneys Association, California New Car Dealers Association, California Police Chiefs Association, California Vanpool Authority, City of Paramount, City of Rancho Palos Verdes, City of Lakewood, League of California Cities.

To date, no opposition have been received.

FISCAL IMPACT

Approval and support of AB 1740, AB 2407, AB 2682, SB 986, and SB 1087 holds no fiscal impact to the current FY 2022-23 Operating Budget.

RELATIONSHIP TO STRATEGIC PLAN

Approval and support of these two bills will contribute to the City's Strategic Plan under Priority #3: Public Safety-Skilled Police, Fire, Emergency Medical Service and Emergency Management.

CONCLUSION

Support of AB 1740, AB 2407, AB 2682, SB 986, and SB 1087 will address the dramatic rise in catalytic converter thefts in California's communities by establishing a more robust reporting system for the sale and transfer of these auto parts and target black-market sales, making it more