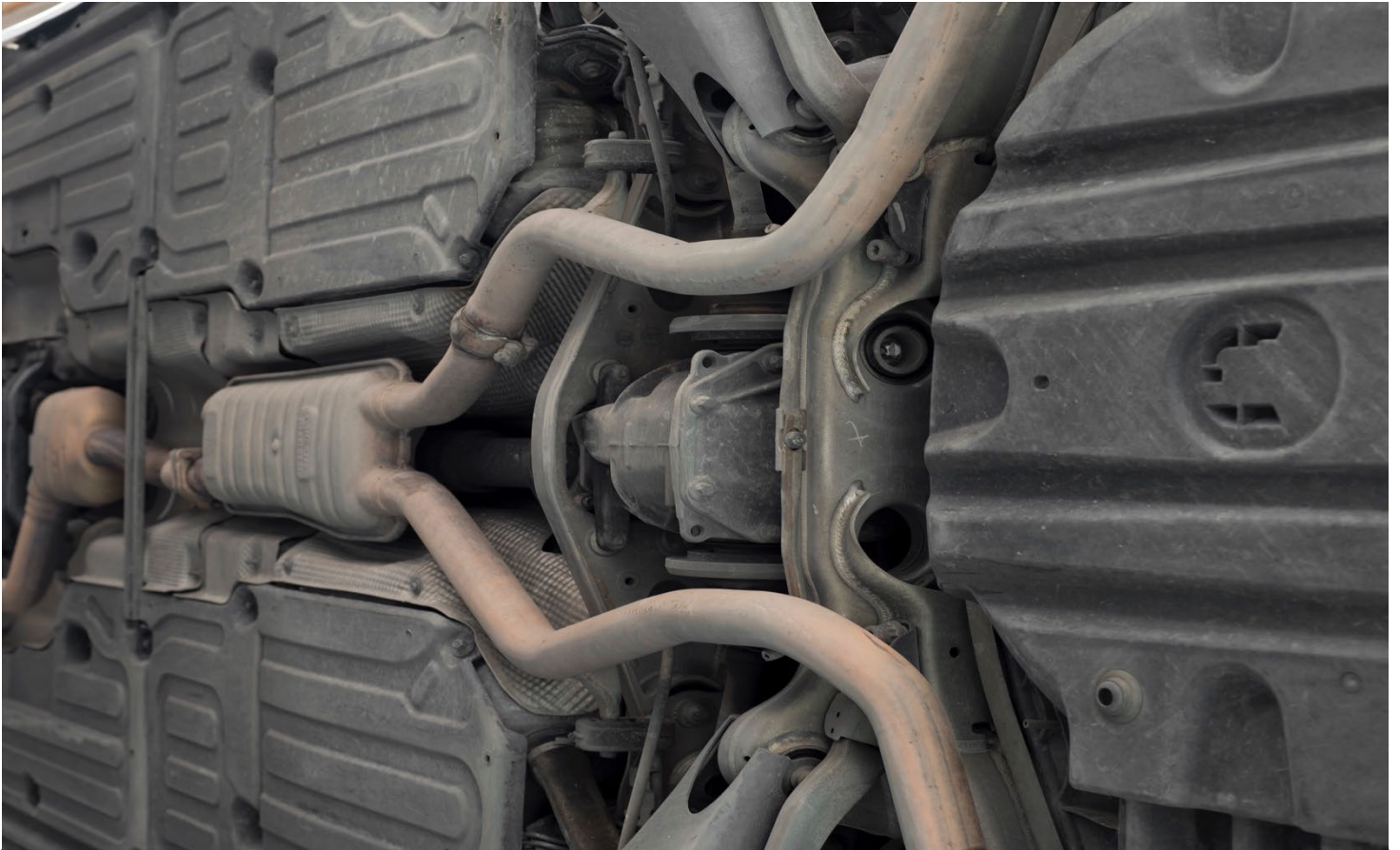




WASHINGTON STATE
UNIVERSITY



REDUCING CATALYTIC CONVERTER THEFT: ASSESSMENT AND RECOMMENDATIONS

Final Report to the Washington State Legislature

January 1, 2023



ACKNOWLEDGEMENTS

About the Division of Governmental Studies and Services

The Division of Governmental Studies and Services ([DGSS](#)) is a social science research and outreach unit jointly sponsored by Washington State University (WSU) Extension and the College of Arts and Sciences at Washington State University. DGSS has served Washington State University's land grant mission of access, outreach, and education to bring the practical benefits of research to communities in Washington State for over 58 years. Through this engagement, DGSS has developed a reputation for robust applied research and serves as an important link that leverages the University's resources for public benefit, through applied social science research, technical assistance, and training for government and non-government organizations throughout the Pacific Northwest. DGSS engages students, at both the graduate and undergraduate level in applied research projects whenever possible. Students provide innovative insight and are able to apply theoretical classroom learning to enhance their education experience and provide a valued service to entities with which DGSS partners.

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Project Workgroup

Engrossed Second Substitute House Bill 1815 (E2SHB 1815) directed WSU to convene a working group to study catalytic converter theft in Washington State. In response, the DGSS research team at WSU assembled a diverse group of stakeholders, with members representing the Washington State Patrol, the Washington Association of Sheriffs and Police Chiefs, the Washington Association of Prosecuting Attorneys, the Office of Public Defense, the Superior Court Judge's Association, the District and Municipal Court Judges' Association, the Association of Washington Cities, the Office of the Attorney General, the property and casualty insurance industry, the scrap metal recycling industry, the auto dealer industry, the auto manufacturer industry, the catalytic converter manufacturer industry, the Washington Independent Business Association, and the Washington Organized Retail Crime Association.

EXECUTIVE SUMMARY

This report has been prepared by the research team at Washington State University's (WSU) Division of Governmental Studies and Services (DGSS) in fulfillment of the requirements outlined in Section 2 of Engrossed Second Substitute House Bill 1815 (E2SHB 1815). One goal of E2SHB 1815 was to convene a workgroup of key stakeholders to produce a study of catalytic converter theft in Washington State. The legislature directed the workgroup to review state laws across the U.S. related to catalytic converter theft; to review national efforts to deter catalytic converter theft; to collect and analyze data on catalytic converter theft in Washington State; to provide options to deter catalytic converter theft, including the option to mark catalytic converters; and to provide options to reduce the costs to victims of catalytic converter theft. E2SHB 1815 also directed the workgroup to produce actionable recommendations for potential changes to Washington State law, as well as recommendations for a pilot program (and associated costs) to reduce catalytic converter theft.

WSU convened representatives from key areas, organizations, and interests, as identified in the authorizing legislation. Workgroup participants included members to represent:

The Washington State Patrol, the Washington Association of Sheriffs and Police Chiefs, the Washington Association of Prosecuting Attorneys, the Office of Public Defense, the Superior Court Judges' Association, the District and Municipal Court Judges' Association, the Association of Washington Cities, the Office of the Attorney General, the property and casualty insurance industry, the scrap metal recycling industry, the auto dealer industry, the auto manufacturer industry, the catalytic converter manufacturer industry, the Washington Independent Business Association, and the Washington Organized Retail Crime Association (E2SHB 1815).¹

To address the requirements outlined in E2SHB 1815, the workgroup met on 34 separate occasions for virtual meetings that lasted from 60 to 90 minutes as a full group or in subgroups (created to address specific components of the study), from July 28, 2022, to December 21, 2022. The following is a summary of key findings and recommendations from the workgroup as collated by the DGSS project research team.²

Key Findings

- Data gathered from the National Insurance Crime Bureau on insurance claims for theft and from law enforcement agencies in Washington State regarding incident reports involving catalytic converter theft have suggested that catalytic converter thefts in

¹ After multiple attempts, DGSS was unable to secure workgroup members to represent individuals with lived experience being convicted of, or charged with, organized theft; the Towing and Recovery Association of Washington; and the Washington State Independent Auto Dealers Association.

² It is important to note that the workgroup consisted of members with diverse backgrounds who represented different areas of interest. Thus, while a majority of workgroup members supported the recommendations in this report, not all recommendations received full consensus of the group. Moreover, the contents of this report reflect the DGSS Project Team's understanding, interpretation, and assessment of the content provided via numerous workgroup meetings held to address the problem of catalytic converter theft in Washington State.

Washington have increased dramatically since 2020. Insurance claims data indicate a 19-fold increase between 2019 and 2020, and another 5-fold increase between 2020 and 2021.

- Within the Pacific Northwest, since 2020, rates of catalytic converter theft claims have been substantially higher in Washington and Oregon, as compared to Idaho and Montana.
- During 2021 and 2022, 31 U.S. states have responded to the nationwide increase in catalytic converter theft by passing, at minimum, 36 new bills. This recent legislation has approached the problem of catalytic converter theft in various ways, including:
 - stricter regulation of vehicle wreckers, scrap metal businesses, and other entities that deal in detached catalytic converters;
 - increased penalties for businesses who violate regulations involving the purchase and sale of detached catalytic converters;
 - the prohibition of unlicensed purchasing of detached catalytic converters;
 - increased penalties for theft of catalytic converters;
 - the creation of statewide databases to report transactions involving detached catalytic converters;
 - limited or prohibited possession of unmarked detached catalytic converters; and
 - educational campaigns to inform the public about theft prevention and target hardening strategies to protect against catalytic converter theft.

Recommendations

Options to address catalytic converter theft in Washington, and to reduce the costs to victims, were proposed, discussed, and refined by the workgroup. The following recommendations received *broad consensus*³ by workgroup members:

- Create a public awareness/educational campaign to inform the public on specific steps to reduce the likelihood of being victimized by catalytic converter theft.
- Require VIN etching for commercial vehicle sales to facilitate the possibility of tracking detached catalytic converters by law enforcement.
- Require permanent marking of detached catalytic converters to facilitate tracking and investigation by law enforcement.
- Adopt proscribed penalties for possession of unmarked detached catalytic converters to provide law enforcement with necessary tools to address catalytic converter theft.
- Adopt proscribed penalties for trafficking in unmarked detached catalytic converters to provide law enforcement with the necessary tools to address catalytic converter theft.
- Prohibit the unlicensed purchase of detached catalytic converters to ensure all detached catalytic converter purchases are regulated.
- Adopt proscribed penalties for unlicensed dealing in detached catalytic converters to provide law enforcement with tools necessary to address catalytic converter theft.
- Regulate de-canning of detached catalytic converters through a required de-canning endorsement to formally identify the scrap processors who engage in this practice.

³ For a definition of broad consensus, see page 24 of this report.

- Require periodic inspections of licensed purchasers who deal in detached catalytic converters.
- Create a database to match catalytic converters with vehicle types to facilitate law enforcement's ability to investigate and track unmarked, detached catalytic converters.
- Create a victim compensation program to assist victims of catalytic converter theft with recovery.
- Facilitate processes needed to encourage insurance discounts for anti-theft devices such that policyholders who install these devices receive reduced auto insurance rates.
- Fund a pilot program for the marking of catalytic converters with an emphasis on vehicles at high risk for catalytic converter theft.

The following recommendation received lesser consensus⁴ by workgroup members:

- Define Catalytic Converter Theft as a Class B Felony to increase the potential criminal penalties for this behavior.

⁴ For a definition of lesser consensus, see page 24 of this report.

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INTRODUCTION

Nature of the Problem

A recent report by the National Insurance Crime Bureau (NICB) indicated that catalytic converter theft claims increased nationwide by 325% during 2020 alone.⁵ The rapid increase has been partly driven by a dramatic rise in the value of precious metals used in the manufacture of catalytic converters. These metals, which typically include platinum, palladium, and rhodium, are necessary for the function of the catalytic converter, which breaks down harmful engine emissions (carbon monoxide, hydrocarbon, nitrogen oxides, particulate matter) into safer gasses.⁶ While the value of platinum has remained more stable, the value of palladium has increased by approximately 300% since 2018, peaking at nearly \$3,000 per ounce. During the same time, Rhodium prices have increased nearly 20-fold, peaking at nearly \$29,000 per ounce. Rhodium has since fallen below \$15,000 per ounce but remains far more costly than it did prior to the recent surge in catalytic converter thefts.⁷

The impact of catalytic converter theft on victims has motivated states to enact new legislation to deter and decrease these incidents. While catalytic converter theft can take place in a matter of minutes and a stolen catalytic converter can garner up to \$1,000 on the black market (depending upon the type of vehicle from which it was removed), the harm to victims sums to a considerably greater amount.⁸ In addition to the costs of replacing a stolen catalytic converter—which can range to as high as several thousand dollars—victims are left without a functioning vehicle until such a repair can be made. This frequently causes an unexpected and urgent need to find alternative modes of transportation for work, childcare, and other daily routines that depend on personal transportation. In response, the Washington State legislature passed Engrossed Second Substitute House Bill 1815 (E2SHB 1815) during the 2021-2022 legislative session to further address catalytic converter theft, discussed below.

Authorizing Legislation and Requirements for the Current Study

E2SHB 1815 was expressly passed to address the rising problem of catalytic converter theft in Washington State. Consistent with the nature of the problem described above, E2SHB 1815 stated the following:

The legislature finds that rates of catalytic converter theft have rapidly increased statewide and nationwide, due in part to existing challenges with accurately identifying stolen catalytic converters. The legislature further finds that victims of catalytic converter theft often incur costs that far exceed the monetary value of the catalytic converters themselves. The legislature further finds that catalytic converter theft is a multifaceted issue that requires collaborative effort between law enforcement

⁵ NICB News Release: <https://www.nicb.org/news/blog/catalytic-converter-thefts-skyrocket-across-nation-0>

⁶ Gao, Jianbing, Guohong Tian, Aldo Sorniotti, Ahu Ece Karci, and Raffaele Di Palo. "Review of thermal management of catalytic converters to decrease engine emissions during cold start and warm up." *Applied Thermal Engineering* 147 (2019): 177-187.

⁷ Rhodium Prices: <https://tradingeconomics.com/commodity/rhodium>

⁸ <https://www.justice.gov/opa/pr/justice-department-announces-takedown-nationwide-catalytic-converter-theft-ring>

agencies, insurance companies, scrap metal dealers, and other involved parties to identify a comprehensive solution (E2SHB 1815, 2022).

Moreover, in addition to introducing new regulations for scrap metal businesses and vehicle wreckers, E2SHB 1815 tasked Washington State University (WSU) with the convening of a working group comprised of key stakeholders to study catalytic converter theft in Washington (see page 1 for a complete list of interests included on the workgroup). The legislature directed the study to include:⁹

- 1) a review of state laws related to catalytic converter theft;
- 2) a review of national efforts to address catalytic converter theft to determine whether there are best practices from other jurisdictions on how to effectively deter and end catalytic converter theft;
- 3) data collection and analysis of catalytic converter theft incidents across the state;
- 4) options to deter and end catalytic converter theft, including marking of catalytic converters; and
- 5) options and opportunities to reduce costs to victims of catalytic converter theft (E2SHB 1815, 2022).

Additionally, E2SHB 1815 required the workgroup to produce recommendations that included:

- 1) potential changes to state law to reduce catalytic converter theft;
- 2) a potential pilot program that could be implemented to decrease catalytic converter theft, including by prioritizing communities with the highest incidence of catalytic converter theft or communities experiencing the most financial impact due to catalytic converter theft; and
- 3) cost estimates for the pilot program and recommendations on evaluation criteria and metrics to determine the efficacy and benefits of the pilot program (E2SHB 1815, 2022).

Aims, Purpose, and Organization of this Report

This report addresses each of the tasks specified in E2SHB 1815 and provides the legislature with a series of recommendations regarding how to reduce catalytic converter theft in Washington. In addition, this report provides recommendations for reducing the costs to victims of catalytic converter theft.

To address the requests of the legislation, this report has been organized as follows. First, the report discusses the extent of catalytic converter thefts in Washington to provide a clearer understanding of the problem from a statistical point of view. Specifically, the extent of theft is addressed, including trends over time in the number and rate of thefts. Second, this report provides a detailed overview of the legislative approaches taken nationwide during the past two years. This timeframe captures legislative responses to the rapid rise in catalytic converter theft that has occurred nationwide and highlights the main strategies adopted by states that have enacted new legislation. This section also reviews the strategies that have been adopted by other states to reduce or deter catalytic converter theft, since the primary response across states has been, thus far, contained in the legislative efforts described in this report. Third, this report provides an overview of options to reduce catalytic converter theft that have been specifically introduced and discussed by the E2SHB 1815 workgroup, convened to study this problem in Washington. Fourth, this report provides an overview of options to reduce harm to victims of catalytic converter theft in Washington that have been introduced and discussed by

⁹ The legislation also directed the workgroup to review the grant and training program established by RCW 36.28A.240. The workgroup learned that this program, which aimed to develop a comprehensive strategy for state law enforcement to address metal theft, has yet to be funded, and thus, it was not possible to produce a review.

the workgroup. Fifth, this report provides the workgroup’s overall position regarding each of the options discussed in the previous sections. In doing so, the report provides recommendations to the legislature for taking action to deter catalytic converter theft and to reduce harm to victims of catalytic converter theft. Since all recommendations did not receive the full consensus of the workgroup members, this section also provides reasoning that led some members to oppose or abstain from endorsing these recommendations. The final section of this report presents the details of a pilot program presented by the workgroup and designed to reduce catalytic converter theft, which may be adopted by future legislation.

CATALYTIC CONVERTER THEFT IN WASHINGTON

Extent of Theft and Trends over Time

The workgroup has acquired catalytic converter theft data from within Washington State. This data reflects thefts recorded by law enforcement agencies from a sample of jurisdictions across Washington that are diverse in both geographic location and population. In addition, the workgroup has collected data on thefts recorded by insurance companies in Washington, provided by the National Insurance Crime Bureau (NICB).

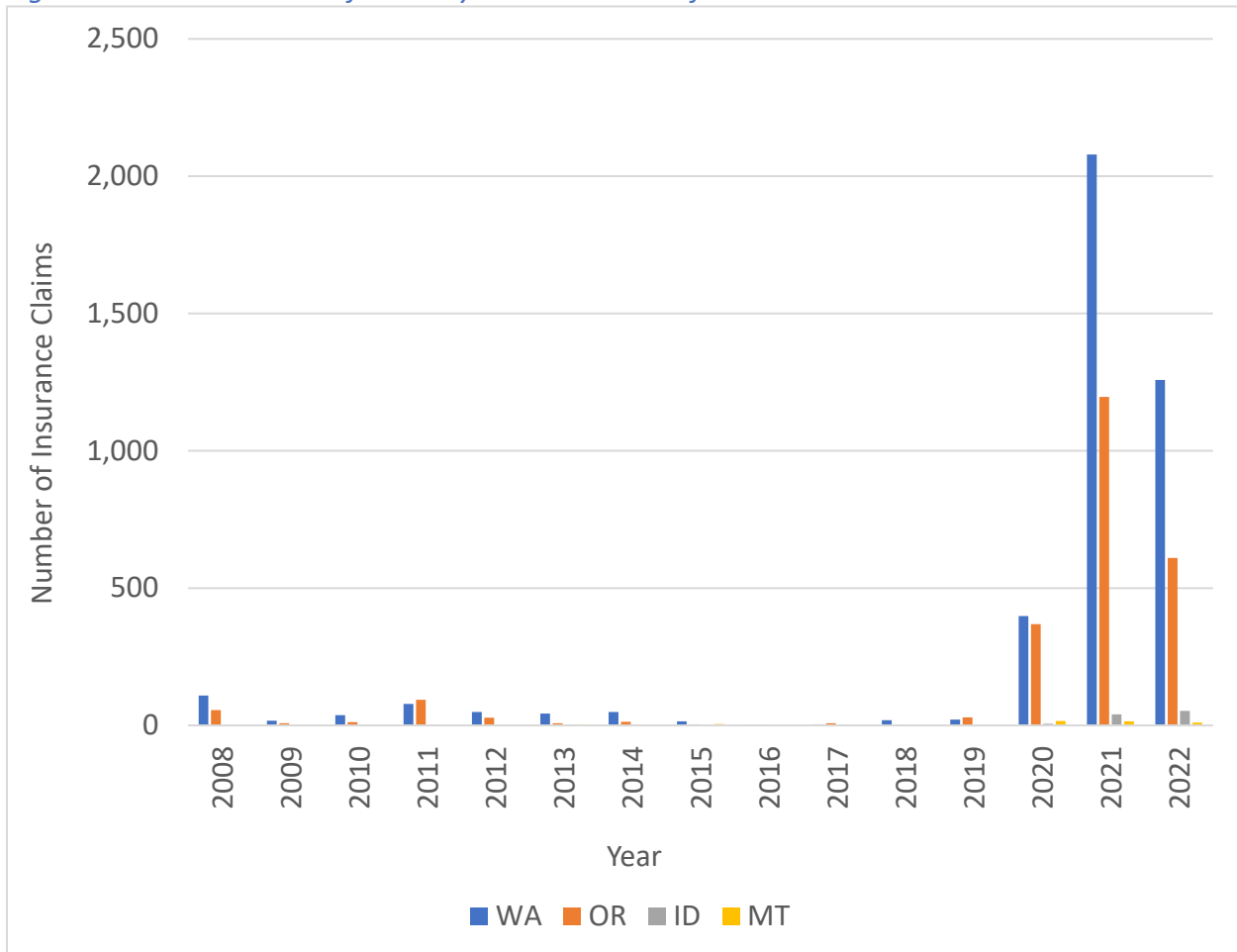
Catalytic Converter Theft Insurance Claims

Initial analysis of data provided by NICB, depicted in Figures 1 and 2, demonstrate recent trends for claims involving catalytic converter theft in Washington, Oregon, Idaho, and Montana. Figure 1 reports the raw number of insurance claims across the four states, while Figure 2 reports insurance claim rates per 1,000,000 registered vehicles (excluding motorcycles).¹⁰ Data for the 2022 year are included but reflect only the first two quarters of the year.

Figure 1 demonstrates that the raw number of insurance claims remained relatively low from 2008 through 2019. Beginning in 2020, the number of claims began to rise rapidly in Washington and Oregon, and currently remains high in both states. While Idaho and Montana have experienced an increase in theft insurance claims, their incidents have remained far lower than Washington and Oregon. Between 2019 and 2020, the number of catalytic converter theft claims increased by approximately 19-fold. Between 2020 and 2021, the number of claims increased by another 5-fold, bringing the total number of reported insurance claims for catalytic converter thefts from 21 during 2019 to 2,079 during 2020. The raw number of thefts offer useful insight to the catalytic converter theft problem, yet it can be difficult to draw meaningful comparisons across states. Washington, Oregon, Idaho, and Montana have vastly different populations with considerable variation in the number of vehicles on their roads, rendering direct comparisons inappropriate. To address this shortcoming, Figure 2 reports the *rate* of catalytic converter theft claims within each state.

¹⁰ Data for the total number of registered vehicles for each state and during each year were provided by the Federal Highway Administration’s Office of Highway Policy Information. Since data were not yet available for 2021 and 2022, these years reflect the total number of registered vehicles in each state during 2020.

Figure 1. Insurance Claims for Catalytic Converter Theft: Raw Numbers

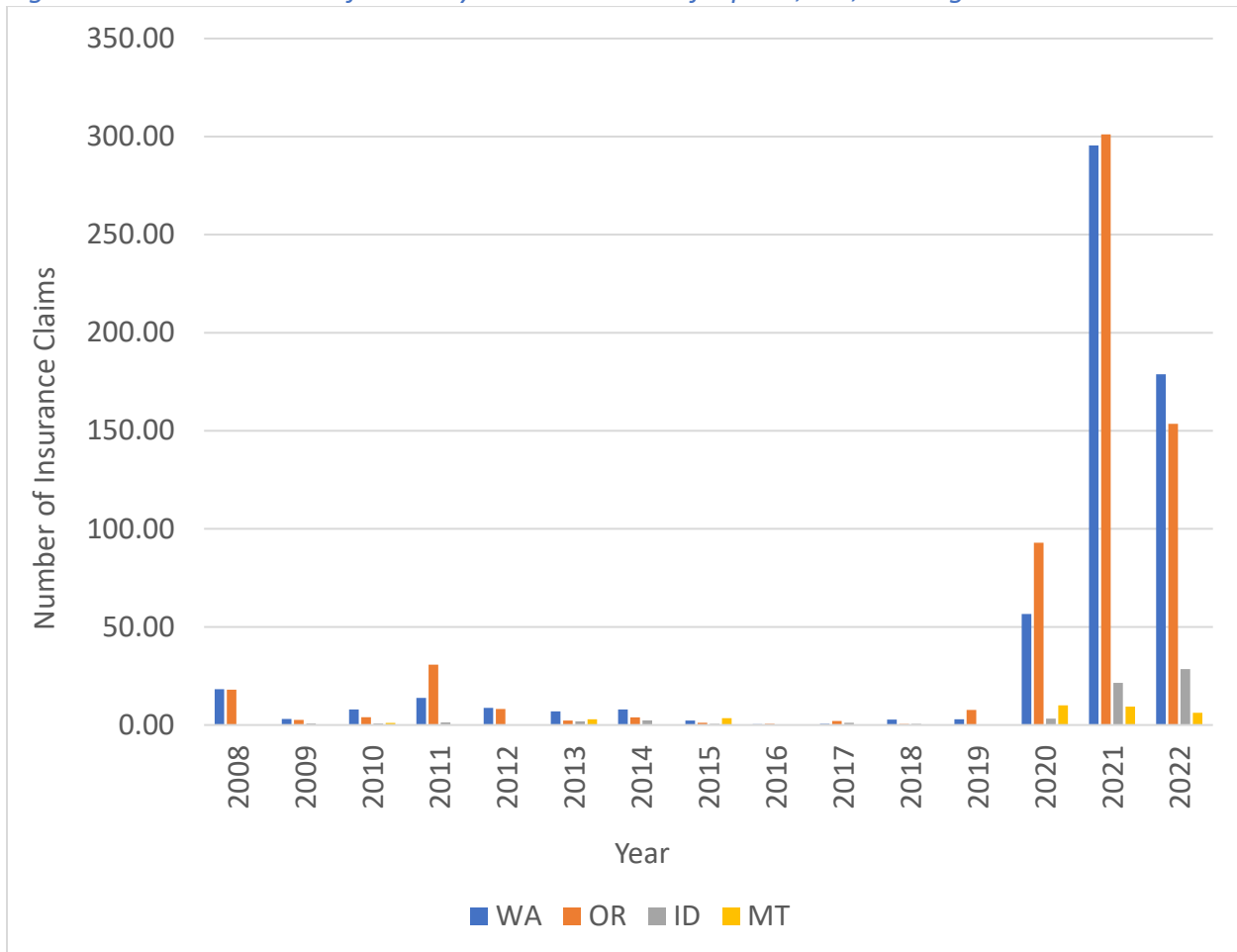


Notes: Data were provided by the National Insurance Crime Bureau; data for 2022 only include claims for Q1 and Q2.

First, while the *raw number* of theft claims presented in Figure 1 were highest in Washington during 2020 and 2021, Figure 2 illustrates that catalytic converter theft claim *rates* were highest in Oregon. During the first half of 2022, however, the rate of theft claims was higher in Washington relative to Oregon, perhaps indicating that the theft problem is accelerating in Washington at a greater speed than Oregon. Theft insurance claim rates have also increased in Idaho, but the severity of the problem has remained far less than that in Washington and Oregon, even after considering the number of vehicles on the road in each of these states. In fact, during 2021, the rates of catalytic converter theft in both Washington and Oregon were approximately 15 times greater than rates in Idaho. The rate for theft insurance claims in Montana has remained even lower than Idaho during 2021 and the first half of 2022.

It is instructive to note that the insurance claims data have important limitations. First, many victims of catalytic converter theft do not file auto insurance claims. Reasons for not filing an auto insurance claim include the lack of auto insurance altogether or the lack of an auto insurance policy that covers catalytic converter theft. In addition, some victims choose not to

Figure 2. Insurance Claims for Catalytic Converter Thefts per 1,000,000 Registered Vehicles



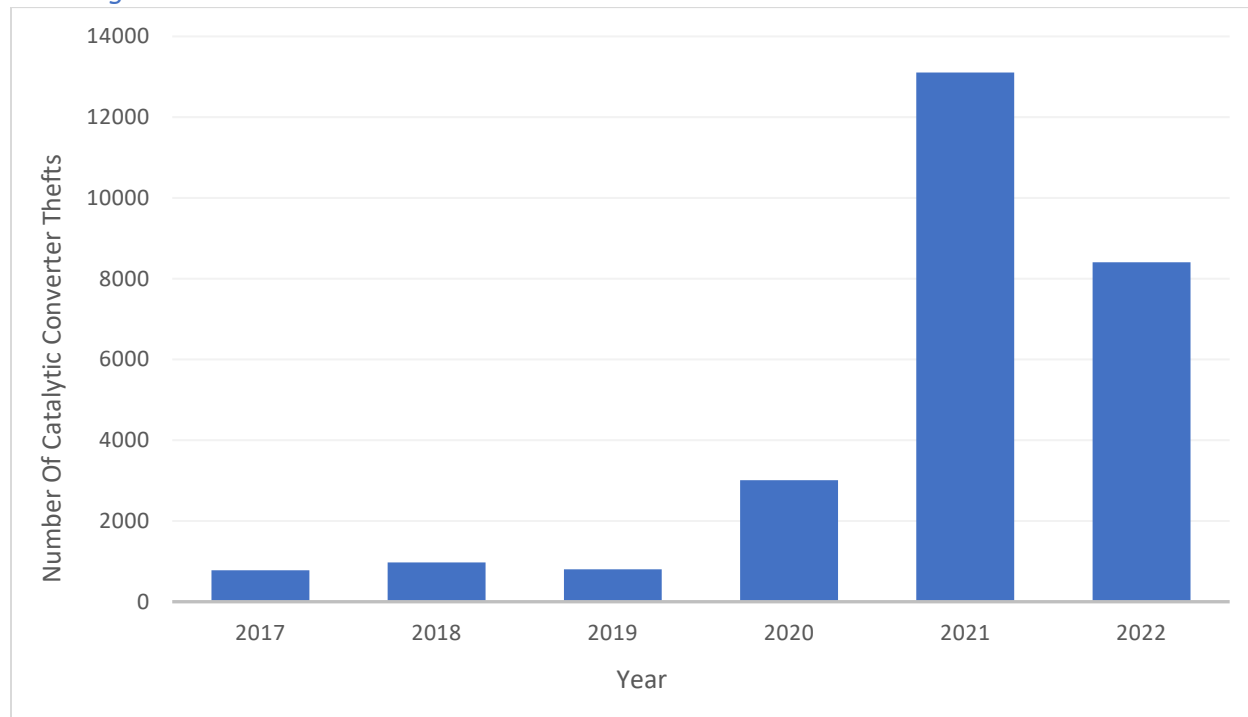
Notes: Data were provided by the National Insurance Crime Bureau; data for 2022 only include claims for Q1 and Q2.

file a claim if their insurance deductible is similar in cost to the damages that have been incurred by the catalytic converter theft. Consequently, insurance claim data is most useful for assessing changes over time in thefts that have been reported, but this data is less useful for assessing the overall scale of the theft problem, due to the under-reporting of incidents.

Catalytic Converter Thefts Reported to Law Enforcement

Moving beyond insurance claims, Figure 3 presents preliminary data that represents 23 law enforcement agencies in Washington who responded to a request for information relating to the number of catalytic converter thefts reported in their jurisdictions. The responding agencies represent both small and large police agencies from jurisdictions across the state. This data was synthesized to reflect reports of thefts from January 2017 through August 2022. It is important to note, however, that not all police agencies record these numbers in the same fashion. In other words, the unit of analysis is not consistent across agencies. Some agencies provided numbers based on the *number of catalytic converters* that have been reported stolen, while other agencies reported the *number of incidents* involving stolen catalytic converters. Further,

Figure 3. Catalytic Converter Thefts Reported by a Sample of Law Enforcement Agencies Across Washington.



Note: Data for 2022 only include catalytic converter thefts reported through the month of August.

the data reported in Figure 3 do not encompass all catalytic converter thefts in Washington and is primarily useful for determining longitudinal trends in catalytic converter theft across the jurisdictions represented among those law enforcement agencies who provided data.

As seen in Figure 3 below, the number of catalytic converter thefts reported in this data remained relatively stable from 2017 through 2019, before increasing substantially throughout 2020 and 2021. This pattern of rapid increase beginning in 2020 is similar to that revealed by NICB's data on theft insurance claims, presented in Figures 1 and 2.

It is also worth noting that the number of catalytic converter thefts reported by law enforcement is far greater, on an annual basis, than the number of insurance claims involving catalytic converter theft. Moreover, the data presented in Figure 3 provide a conservative estimate of catalytic converter thefts over time. The disparity between reports of theft to law enforcement and those reported through insurance claims is likely greater than that suggested by this data since all law enforcement agencies are not represented here. Despite these data limitations, it is clear that catalytic converter theft has increased substantially in recent years.

REVIEW OF STATE LAWS RELATED TO CATALYTIC CONVERTER THEFT

The recent increase in catalytic converter theft has been met with a swift policy response across the states. Indeed, states have enacted numerous new laws to curtail these theft incidents. Table 1 presents a summary of state legislation enacted in all U.S. states from 2021 to 2022.

Table 1. Recently Enacted Bills Designed to Reduce Catalytic Converter Theft, 2021-2022.

Bill Number	State	Title Or Description
S.B. 134	AL	Crimes and Offenses, Catalytic Converters, Requirements for Purchase, Possession, and Sale of Detached Catalytic Converters
H.B. 1012	AR	An Act to Amend Arkansas Law Concerning Scrap Metal Dealers
H.B. 2652	AZ	Sales; Acquisitions; Used Catalytic Converters
A.B. 1653	CA	An Act to Amend Section 13899 of the Penal Code, Relating to Property Crimes
S.B. 1087	CA	Vehicles; Catalytic Converters
A.B. 1740	CA	Catalytic Converters
S.B. 22-009	CO	Recertification and Theft of Catalytic Converters
H.B. 22-1217	CO	Catalytic Converter Records and Grant Program
S.B. 256	CT	Act Concerning Catalytic Converters
H.B. 296	DE	An Act to Amend Title 24 of the Delaware Code Relating to Scrap Metal Processors.
S.B. 2279	HI	Relating to Catalytic Converters
S.F. 2287	IA	An Act Relating to Used Catalytic Converter Transactions, Providing Penalties, and Making Penalties Applicable
H.B. 0107	IL	An Act Concerning Transportation
S.B. 0293	IN	An Act to Amend the Indiana Code Concerning Motor Vehicles
S.B. 114	KY	An Act Relating to The Disposition of Catalytic Converters and Other Items Containing Metal
H.B. 1073	LA	Secondhand Dealers: Provides Relative to the Sale and Purchase of Catalytic Converters
S.B. 70	LA	Theft: Creates the Crime of Theft of a Catalytic Converter or Engine Control Module and Provides for Dealer Registration
S.B. 0496	MD	Business Regulation - Miscellaneous State Business Licenses - Alterations
L.D. 796	ME	An Act to Restrict Sales of Catalytic Converters Removed from Motor Vehicles
HF 6	MN	Appropriated Funds for a Catalytic Converter Theft Prevention Pilot Project
H.B. 69	MO	An Act...Relating to Certain Metals, with Penalty Provisions
S.B. 2545	MS	Scrap Metal; Revise Provisions of and Prescribe Certain Conditions for the Purchase of Detached Catalytic Converters
S 201	NC	An Act to Make Various Changes to Motor Vehicle and Transportation Laws
S.B. 99	NC	Clarify Law on Theft of Catalytic Converters
H.B. 4373	OK	An Act Relating to Crimes and Punishments...
S.B. 803	OR	An Act Relating to Catalytic Converters
S.B. 2906	RI	An Act Relating to Commercial Law -- General Regulatory Provisions -- Purchase and Sale of Precious Metals -- Catalytic Converters
H 3391	SC	Nonferrous Metals - Catalytic Converters
H.B. 1174	SD	An Act to Revise Requirements for Sales of Catalytic Converters to Scrap Metal Businesses
S.B. 1612	TN	AN ACT to amend Tennessee Code Annotated, Title 38; Title 55 and Title 62, Relative to Catalytic Converters
H.B. 4110	TX	An Act Relating to the Regulation of Metal Recycling; Increasing a Criminal Penalty
H.B. 38	UT	Property Theft Amendments
S.B. 729	VA	Catalytic Converters; Tampering With, Etc., Penalty
H.B. 1815	WA	An Act Related to Deterring Catalytic Converter Theft
S.B. 408	WI	An Act to Create 134.405 (1) (f) 9. of the Statutes; Relating to: Regulating Scrap Dealer Purchases of Catalytic Converters
S.B. 626	WV	Updating Regulation for Purchase of Automobile Catalytic Converters

Table 2. Legislative Strategies to Reduce Catalytic Converter Theft, 2021-2022: Regulating the Metal Recycling Industry

State	Bill(s)	Regulation Strategies												
		Regulate Auto Wreckers	Regulate Scrap Metal Businesses	Regulate Core Recyclers	Ban Non-licensed Buyers	Doc. Origin of Cat. Conv.	Take Photo of Seller	Take Photo of Cat. Conv.	No Cash Sales	Limit Cash Sales	Report Sales to Database	Felony for Single Violation	Felony for Repeat Violation	Create or Enhance Civil Infraction
AL	S.B. 134	X	X	X	X	X				X			X	
AR	H.B. 1012		X		X		X	X				X	X	
AZ	H.B. 2652		X		X						X			X
CA	A.B. 1740, S.B. 1087			X		X	X	X	X					
CO	S.B. 22-009; H.B. 22-1217		X	X		X	X	X		X				
CT	S.B. 256	X	X			X	X	X	X		X			
DE	H.B. 296		X				X	X			X			
HI	S.B. 2279	X	X	X		X	X	X	X			X		
IA	S.F. 2287	X	X	X				X	X					X
IL	H.B. 107		X		X		X	X		X				
IN	S.B. 293	X								X				X
KY	S.B. 114		X	X		X								
LA	H.B. 1073		X	X										
MD	S.B. 496		X											
ME	L.D. 796	X	X	X	X		X		X		X			
MN	H.F. 6	X	X	X										
MO	H.B. 69		X	X			X							
MS	S.B. 2545		X		X	X	X	X	X				X	
NC	S 201, S.B. 99		X		X	X	X	X						X
OR	S.B. 803	X	X		X	X			X					X
RI	S.B. 2906	X	X	X		X					X	X		
SC	H 3991		X		X	X							X	
SD	H.B. 1174		X		X					X				
TN	S.B. 1612	X	X	X	X									
TX	H.B. 4110		X			X						X		
UT	H.B. 38		X			X	X	X		X	X			X
VA	S.B. 729		X			X								
WA	H.B. 1815	X	X			X			X					X
WI	S.B. 408		X										X	
WV	S.B. 626		X						X					

During the 2021 and 2022 legislative sessions, at least 31 states enacted 36 new legislative bills for this purpose. Ten of these bills were enacted in 2021, while the remaining 26 were enacted during 2022.

Regulating the Metal Recycling Industry

All states currently regulate their metal recycling industries but in recent years, these regulations have been modified across several states to specifically address the purchase of detached catalytic converters.¹¹ This has been in direct response to the sale and purchase of illegally obtained detached catalytic converters. Many new bills have targeted either *vehicle wreckers* (who primarily acquire vehicles for the purpose of dismantling and selling parts of value), *scrap metal businesses* (yards, suppliers, or processors who acquire various metals of value, including, but not limited to auto parts), *core recyclers* (who purchase specific auto parts for rebuilding/remanufacturing), previously *unlicensed buyers* (who purchase scrap metals to include used auto parts), or some combination of these entities.

Within the metal recycling industry, scrap metal businesses have typically faced less regulatory oversight across states, particularly when compared to vehicle wreckers. Table 2 indicates that 28 of 36 recently enacted bills (78%) have focused on scrap metal businesses with new and/or enhanced regulation. In addition, 11 of these 36 bills included additional regulations affecting vehicle wreckers and 12 added further regulations affecting core recyclers.¹²

During a typical transaction, most states already required vehicle wreckers and scrap metal businesses to gather, at minimum, basic information about sellers (based on their government-issued ID), the vehicle used to transport the metals, and a basic description of the metals being purchased. Newly enacted legislation presented in Table 2 has generally required these entities to gather and record additional information for each monetary transaction with a vehicle wrecker or scrap metal business that has involved a detached catalytic converter and to make that information available for inspection by law enforcement officers.¹³ New legislative regulations shown in Table 2 have taken several additional approaches, including limiting or prohibiting cash purchases, requiring that all purchases from a vehicle wrecker or scrap metal business be reported to a statewide database for tracking purposes, enhancing civil and criminal penalties for businesses that violate these new state regulations, and prohibiting the unlicensed purchasing of catalytic converters. These approaches are described in more detail below.

¹¹ Throughout this report, a detached catalytic converter means one that was previously installed on a vehicle and subsequently removed.

¹² Many bills that further regulate core recyclers appear to do so by adopting broad language that addresses all metal recyclers dealing in used auto parts. Only rarely did states adopt language specifically addressing core recyclers (for example, see California's A.B. 1740).

¹³ Numerous bills exclude from further regulation the purchase of catalytic converters as part of a whole vehicle purchase.

Documenting the Origin of Catalytic Converters

To help ensure that each catalytic converter sale is traceable and legitimate, many of the newly enacted bills presented in Table 2 require scrap metal businesses to record the VIN of the vehicle from which the catalytic converter was removed. In addition, several of the bills in Table 2 also require that the seller demonstrate ownership of the vehicle from which the catalytic converter was removed by providing a vehicle title and/or registration listing the seller's name when transacting with a scrap metal business. As presented in Table 2, at least 15 states have recently adopted legislation that takes these or similar approaches to regulate the sale of catalytic converters with the intent to curtail theft.

Photographing Sellers and Detached Catalytic Converters

While most states already required sellers to present a photo ID for a monetary transaction to take place with a scrap metal business, many of the newly enacted bills presented in Table 2 have required these scrap metal businesses to retain a photocopy of the seller's ID. Even further, 14 states have recently adopted bills requiring scrap metal businesses to take a separate photograph of the seller and/or the detached catalytic converters being purchased (sometimes legislation allows this to be captured by video surveillance). States such as Wisconsin have attempted to use the photos of the detached catalytic converters, along with the provided VIN information, to verify that the detached catalytic converter is a correct match to the vehicle type. This approach is designed to prevent any transactions that involve a detached catalytic converter that could not have reasonably come from the vehicle that the seller claimed to be the source of the detached catalytic converter.

Limiting or Prohibiting Cash Sales

Nine states have enacted bills to prohibit cash sales for transactions with scrap metal business involving detached catalytic converters, and six additional states have enacted bills to severely limit cash sales to these businesses. For example, Alabama now limits the cash sale of detached catalytic converters to \$50 or less, while other states, such as Colorado, have allowed thresholds as high as \$300 for cash sales of detached catalytic converters. In addition, most states require that funds are not transferred to sellers until an established period has elapsed, often 3 business days.¹⁴ Other states, such as Washington, specifically prohibit cash sales for detached catalytic converters, though limited cash sales are still allowed for other types of recycled metals.

Enhancing Penalties for Violations

Criminal Penalties. Prior to the recent legislative changes presented in Table 2, violating regulations has been typically classified as a misdemeanor offense, subjecting violators to the possibility of short terms of jail time and/or monetary fines. In some states, violations subjected recyclers only to the possibility of civil penalties. Newly enacted bills in several states now define violations involving detached catalytic converters as a felony offense, exposing violators

¹⁴ Transactions taking place between licensed recyclers are typically excluded from these regulations or subjected to less restrictive regulations.

to more serious penalties (one year or more in prison and more substantial fines). States have typically reserved felony status for repeat violators (i.e., Alabama, Arizona, Mississippi, South Carolina, and Wisconsin), but in several states (Hawaii, Rhode Island, and Texas), a single violation constitutes a felony offense.

Civil Penalties. As seen in Table 2, eight states passed legislation that either enhanced or created new civil penalties for violating regulations involving the purchase of detached catalytic converters. For example, Arizona established a structure of increasing penalties based on the frequency of these violations, and includes \$500 for the first violation, \$2,000 for the second violation, and a fine of \$2,000 more than the immediately preceding fine for each additional violation. In Oregon, vehicle wreckers are prohibited from purchasing detached catalytic converters, and for each violation, they can be fined \$1,000. In Utah, each violation has been subjected to a \$500 civil fine. Iowa's civil penalties are among the most severe; \$1,000 for a first violation, \$5,000 for a second violation within two years, and \$10,000 for a third violation within two years.

Prohibiting Unlicensed Recyclers

Many states have recently moved to prohibit all purchases of detached catalytic converters by unlicensed recyclers. Table 2 indicates that 11 states have adopted such measures in the past two years. As an example, Tennessee enacted legislation that requires all individuals who purchase detached catalytic converters to register as a scrap metal business, to give written notification of such business activity to the local chief of police, and to adhere to all regulations pertaining to scrap metal businesses.

Additional Strategies to Prevent Catalytic Converter Theft

Defining New Catalytic Converter Theft Offenses and Associated Penalties

Table 3 presents additional legislative strategies to reduce catalytic converter theft contained in state legislation passed between 2021 and 2022. Seven states recently enacted legislation to define specific offenses related to catalytic converter theft and to establish associated penalties. As indicated in Table 3, these include Hawaii, Louisiana, Missouri, North Carolina, Oklahoma, Utah, and Virginia. Of these seven states, all have defined theft of a catalytic converter as a felony offense, and in some cases, the penalties are very severe. For example, Louisiana has established mandatory minimum sentence lengths ranging from 90 days to 10 years (with hard labor), depending upon the monetary value of the damage caused by the theft. Moreover, Oklahoma has defined lifting, jacking, or climbing under a vehicle with intent to steal a catalytic converter as a felony burglary, carrying penalties of up to 5 years imprisonment and/or a fine up to \$5,000.

Limiting or Prohibiting Possession of Detached Catalytic Converters.

Table 3 also indicates that eight states have recently enacted legislation to limit who can legally possess a detached catalytic converter in the event they are unlicensed to do so. These include Alabama, Arizona, Maine, North Carolina, Oregon, South Carolina, Tennessee, and West

Virginia. States such as Maine limit possession of detached catalytic converters to those devices that have been properly marked with traceable identifiers (mandated for all removed catalytic converters). Tennessee only allows unlicensed individuals to possess a detached catalytic converter if they also possess documentation showing that the detached catalytic converter

Table 3. Legislative Strategies to Reduce Catalytic Converter Theft, 2021-2022: Additional Strategies

State	Bill(s)	Theft Reduction Strategies			
		Create Theft of Cat. Conv. Offense	Limit Unlicensed Possession	Empower or Leverage Police	Educate the Public
AL	S.B. 134		X		
AR	H.B. 1012				
AZ	H.B. 2652		X		
CA	A.B. 1653			X	
CO	S.B. 22-009; H.B. 22-1217			X	X
CT	S.B. 256				
DE	H.B. 296				
HI	S.B. 2279	X		X	X
IA	S.F. 2287			X	
IL	H.B. 107			X	
IN	S.B. 293				
KY	S.B. 114			X	
LA	S.B. 70	X			
MD	S.B. 496				
ME	L.D. 796		X		
MN	H.F. 6			X	
MO	H.B. 69				
MS	S.B. 2545			X	
NC	S 201, S.B. 99	X	X		
OK	H.B. 4373	X			
OR	S.B. 803		X	X	
RI	S.B. 2906			X	
SC	H 3391		X		
SD	H.B. 1174			X	
TN	S.B. 1612		X	X	
TX	H.B. 4110				
UT	H.B. 38	X		X	
VA	S.B. 729	X			
WA	H.B. 1815			X	
WI	S.B. 408				
WV	S.B. 626		X		

resulted from replacing a catalytic converter on a vehicle they own. Legislation in West Virginia has required unlicensed individuals who are in possession of a detached catalytic converter to possess proof of ownership or documentation demonstrating the individual's right to possess the detached catalytic converter.

Empowering and/or Leveraging Law Enforcement

Several newly enacted bills presented in Table 3 have provided local law enforcement with additional resources or responsibilities to address the rise in catalytic converter theft. These bills have adopted several different strategies:

- California created a task force within the California Highway Patrol (CHP) to identify geographic areas where property crimes, including those involving auto parts, have increased, and directed the CHP to provide equipment and logistical and personnel support to local agencies.
- Colorado now requires the Colorado State Patrol (CSP) to assess scrap metal businesses' compliance with records-gathering for detached catalytic converter sales. In addition, Colorado's legislation requires the CSP to develop an inspection form for local authorities to implement during inspections of scrap metal businesses.
- Hawaii's legislation has required county police departments to create and maintain a database on information pertaining to detached catalytic converter sales.

Educating the Public

Only two states have recently adopted legislation mandating educational strategies to prevent catalytic converter theft, as illustrated in Table 3. Hawaii's legislation has required each county police department to initiate an educational program to increase public awareness about preventive measures and to encourage the painting and engraving of VINs on detached catalytic converters. In addition, Colorado's legislation established grant funding for programs to provide informational campaigns that educate the public about catalytic converter theft and prevention strategies.

Washington's Legal Strategy: A Comparison across States

Like most other states, Washington has required scrap metal businesses (see chapter 19.290 RCW) to create a written or electronic record of specific information for each transaction. This record includes information about the seller (e.g., address, phone number, driver's license number), the vehicle used to transport the metals (e.g., license plate number, issuing state, and description of the vehicle), and the metals being sold (e.g., description and price paid). If the transaction involves a detached catalytic converter, as of July 1, 2022, scrap metal businesses must also document that the detached catalytic converter came from a vehicle registered in the seller's name and is the result of the seller replacing their vehicle's catalytic converter. This approach falls in line with at least 15 other states that have recently enacted legislation to curb catalytic converter theft (see Table 2). Washington has also acted, along with several other states, to prohibit cash sales involving detached catalytic converters, and to mandate a hold on payment for three business days. Finally, like most other states, Washington has required scrap metal businesses to maintain their transaction records for a set time period (i.e., 2 years) and to make them available for inspection by law enforcement during normal business hours. Violations are subject to civil penalties of \$1,000 per detached catalytic converter and constitute a gross misdemeanor.

In Washington, vehicle wreckers' purchasing activity is also regulated (see chapter 46.80 RCW), and Washington has recently enacted changes to these regulations (effective July 1, 2022). Like most other states, vehicle wreckers are required to keep a record with specific information linked to each major component of a vehicle that has been purchased (e.g., motor,

transmission). In addition, Washington now requires this information to be recorded for each detached catalytic converter. These required records include a signed bill of sale from a verified seller, that includes the seller’s name, address, and the VIN of the vehicle from which the detached catalytic converter originated. Vehicle wreckers are also required to record other vehicle information for each transaction involving a detached catalytic converter, including the title certificate number, state where the vehicle was last registered, last license plate number issued, name of the vehicle, and serial number of the vehicle. In Washington, transactions involving detached catalytic converters cannot be paid in cash and payment must be mailed to the seller’s recorded address no earlier than three days post-transaction. Records must be maintained by the vehicle wrecker for a period of three years and are open to inspection by law enforcement. Violations constitute a gross misdemeanor.

Finally, to deter potential catalytic converter theft, Washington has instituted the following penalty structure, as depicted in Table 4. Since catalytic converter theft often results in damage greater than \$750, but less than \$5,000, this behavior has typically constituted a Class C Felony, punishable by up to 5 years in prison and/or a fine of up to \$5,000.

Table 4: Offense Severity and Penalties for Catalytic Converter Theft

<i>Offense Type</i>	<i>Qualifying Damages</i>	<i>Offense Severity</i>	<i>Punishment</i>
1 st Degree Theft	\$5,000 or greater	Class B Felony	10 Years and/or fine up to \$20,000
2 nd Degree Theft	\$750 up to \$5,000	Class C Felony	5 Years and/or fine up to \$10,000
3 rd Degree Theft	Up to \$750	Gross Misdemeanor	Less than 1 Year and/or fine up to \$5000

Strategies Adopted by Other States

Considering the full spectrum of legal approaches that states have adopted, Washington’s response to catalytic converter theft appears somewhere in the middle. Some states have not been as stringent as Washington’s ban on cash sales or the requirement that sellers demonstrate that the vehicle from which a detached catalytic converter was removed has been registered in the seller’s name. Yet many other states have taken different and/or additional approaches, requiring scrap metal businesses, vehicle wreckers, and/or any other purchaser of detached catalytic converters to take the following actions:

1. Take photographs of the seller (and fingerprints in some cases)
2. Take photographs of the detached catalytic converters being sold
3. Report all detached catalytic converter purchases to a statewide database
4. Acquire a state license to legally purchase any detached catalytic converters (i.e., ban all unlicensed purchases)

Several states have adopted more punitive approaches that surpass Washington’s regulations. For example, in Hawaii, Rhode Island, and Texas, recyclers found guilty of a single violation of their respective state’s regulations have committed a felony offense, while several other states have recently classified any repeat violations as felony offenses. Moreover, a handful of states have recently introduced legislation to create a specialized *theft of catalytic converter* offense that, unlike in Washington, is classified as a felony regardless of the value of monetary

damages. Numerous states have moved to make the possession of detached catalytic converters by unlicensed individuals illegal, defining them as contraband and subjecting them to immediate seizure. Such approaches go beyond the measures currently adopted in Washington.

OPTIONS TO DETER OR PREVENT CATALYTIC CONVERTER THEFT

During the study period, the workgroup has discussed and assessed numerous options for deterring and preventing catalytic converter theft. These strategies are based on national efforts to reduce catalytic converter theft, to date. This section details those options. Not all options, however, were universally supported by workgroup members. A later section of this report entitled, “Recommendations for Legislative Action” provides an explanation of the workgroup’s position on each option, including reasons for why members may not have supported specific options.

Public Awareness/Educational Campaign

The recent rise in catalytic converter theft in Washington State has drawn media attention, which may be helpful for informing the public about the nature of the problem. A targeted public awareness campaign, however, may be more useful for providing the public with actionable prevention steps that can be taken to reduce their likelihood of victimization. This campaign could: 1) be directed toward owners of those vehicles at greatest risk for catalytic converter theft, based on vehicle make and model, 2) take the shape of a targeted mailing spearheaded by the Department of Licensing, and 3) rely on the dissemination of online information made available on higher-trafficked state and local government websites, such as pages associated with vehicle registration.

Some of the specific steps provided to the public, which have been endorsed by the National Insurance Crime Bureau, may include the following target-hardening strategies:

- Install a catalytic converter anti-theft device on the vehicle
- Park in a garage when possible and/or install bright motion sensor lights to illuminate vehicles
- Install and always set the vehicle’s alarm system
- Park fleet vehicles in an enclosed/gated, locked, and well-lit area

Other options may include educating the public on the following:

- The utility of etching catalytic converters with the last 8 digits of the VIN
- The presence of free painting/etching programs, should they be established
- The types of vehicles known to be at high risk for catalytic converter theft
- The type of auto insurance needed to cover catalytic converter theft

Require VIN Etching for Commercial Vehicle Sales

Currently, manufacturers of vehicles sold in the United States do not mark the catalytic converters with a VIN. As a result, detached catalytic converters are generally untraceable by

law enforcement and are difficult or impossible to positively identify as stolen. This concern was recently highlighted by the Justice Department in a press release announcing the takedown of a large-scale, nationwide catalytic converter theft ring.¹⁵ It is also worth noting that while the workgroup discussed the possibility of requiring auto manufacturers to begin marking catalytic converters with VIN information, recent research indicates that it would take approximately 20 years to reach a level where 90% of the on-road fleet was marked.¹⁶ Thus, to more rapidly increase the proportion of the marked, on-road fleet in Washington, the legislature may require that all commercial sale of vehicles, *new and used*, be subjected to mandatory VIN marking of the catalytic converter prior to their transfer to the end user.

This option could be accomplished by vehicle dealerships who are able to acquire the necessary etching tools, which involves a startup cost of approximately \$1,000. The workgroup was informed by representatives of Bellevue Honda, who participated in a VIN-etching program, that the cost to mark a single vehicle (etch the catalytic converter with 8 digits of the VIN and apply high temperature red paint) was approximately \$60. Since costs may vary, auto dealers could be permitted to charge a “reasonable” fee to vehicle purchasers for the etching process.

Smaller auto dealerships who lack the ability to recondition vehicles (e.g., do not have a hydraulic lift) could be excluded from this requirement. This would prevent undue hardship on small businesses who otherwise would be forced to purchase expensive equipment and acquire additional space to operate such equipment. In addition, this VIN-etching requirement would only apply to vehicles that have accessible catalytic converters, and not to vehicles with catalytic converters located in the engine bay in a way that is not easily accessible. Finally, this requirement would not apply to wholesalers.

Require Permanent Marking of Detached Catalytic Converters

Part A: Marking Requirements

Currently, Washington State does not require that detached catalytic converters are permanently marked upon their removal from their originating vehicle. As noted above, law enforcement cannot trace detached catalytic converters to verify their origin or their potential status as stolen property. In a similar fashion to Maine’s recently enacted legislation (L.D. 796), Washington could require that all detached catalytic converters, including those removed by wreckers, vehicle repair shops, and private individuals alike, be marked upon their removal with the last eight digits of the VIN of the originating vehicle. This could be accomplished through use of a permanent marker (e.g., Sharpie), and is consistent with existing industry practice that involves the dismantling of vehicles. Since detached catalytic converters are generally subject to recycling, as opposed to future reuse on a vehicle, there is no need for more costly etching or

¹⁵ <https://www.justice.gov/opa/pr/justice-department-announces-takedown-nationwide-catalytic-converter-theft-ring>

¹⁶ Keith, David R., Samantha Houston, and Sergey Naumov. "Vehicle fleet turnover and the future of fuel economy." *Environmental Research Letters* 14, no. 2 (2019): 021001.

other high-temperature resistant marking. Unmarked, detached catalytic converters would not be automatically presumed stolen, but they would be illegal to possess.

Part B: Proscribed Penalties for Possession of Unmarked Detached Catalytic Converters

The following language could proscribe penalties for the possession of detached unmarked catalytic converters:

New Section:

Possession of Unmarked Catalytic Converters in the Second Degree

(1) A person is guilty of possession of unmarked catalytic converters in the second degree if he or she knowingly possesses four or fewer catalytic converters that have been removed from a motor vehicle and are not marked/identified as required by [insert citation].

(2) Possession of unmarked catalytic converters in the second degree is a gross misdemeanor.

[Mandatory juvenile diversion]

It is an affirmative defense to this section that the possessor removed the catalytic converter with the permission of the registered owner of the vehicle(s).

New Section:

Possession of Unmarked Catalytic Converters in the First Degree

(1) A person is guilty of possession of unmarked catalytic converters in the first degree if he or she knowingly possesses five or more catalytic converters that have been removed from a motor vehicle and are not marked/identified as required by [insert citation].

(2) Possession of unmarked catalytic converters in the first degree is a class C felony.

It is an affirmative defense to this section that the possessor removed the catalytic converter with the permission of the registered owner of the vehicle(s).

Part C: Proscribed Penalties for Trafficking in Unmarked Detached Catalytic Converters

The following language could proscribe penalties for trafficking in unmarked detached catalytic converters:

For the following sections, "traffic" shall have the same meaning as defined in the Criminal Profiteering Act, RCW 9A.82. ("Traffic" means to sell, transfer, distribute, dispense, or otherwise dispose of property to another person, or to buy, receive, possess, or obtain control of property, with intent to sell, transfer, distribute, dispense, or otherwise dispose of the property to another person.)

New Section:

Trafficking in Catalytic Converters in the Second Degree

(1) A person is guilty of trafficking in catalytic converters in the second degree if he or she knowingly traffics catalytic converters that have been removed from a motor vehicle and:

a) The person traffics four or fewer catalytic converters that are not marked/identified as required by [insert citation]; or

b) The person traffics four or fewer catalytic converters, and the person does not fulfill the requirements of RCW [insert citation] for a lawful transfer

(2) Trafficking in Catalytic Converters in the Second Degree is a class C felony.

New Section:

Trafficking in Catalytic Converters in the First Degree

(1) A person is guilty of trafficking in catalytic converters in the first degree if he or she knowingly traffics catalytic converters that have been removed from a motor vehicle and:

- a) The person traffics five or more catalytic converters that are not marked/identified as required by [insert citation]; or
 - b) The person traffics five or more catalytic converters, and the person does not fulfill the requirements of RCW [insert citation] for a lawful transfer; or
 - c) The trafficker is not licensed as required under RCW [insert citation].
- (2) Trafficking in Catalytic Converters in the First Degree is a class B felony.

Prohibit Unlicensed Dealing in Detached Catalytic Converters

Part A: License Requirement

Currently in Washington, detached catalytic converters may be legally purchased by licensed businesses, such as vehicle wreckers, scrap processors, and scrap metal businesses. At present, detached catalytic converters may also be legally purchased and sold by unlicensed individuals who are not subject to similar regulations or oversight. Like actions taken in several other states (see Table 3), Washington could require that all entities dealing in detached catalytic converters be appropriately licensed to do so. In addition to licenses for vehicle wreckers, scrap processors, and scrap metal businesses, Washington could create a new license for other entities who deal in detached catalytic converters. These license holders would then be subject to similar regulations and oversights that apply to vehicle wreckers and scrap metal businesses. Dealing in detached catalytic converters may include purchasing, selling, transporting, storing, and advertising.

Under this scheme, all unlicensed dealing in detached catalytic converters would be prohibited, including transactions between private individuals. All licensed purchasers may be required to conspicuously display their license at their place of business, to include their license number in all advertisements soliciting the purchase of detached catalytic converters, and to make their license readily available for inspection by the Department of Licensing and law enforcement. These prohibitions in dealing, however, should not preclude individuals from detaching catalytic converters from vehicles they own, marking them as described in the previous subsection of this report, and subsequently storing, transporting, or selling them to a business that is appropriately licensed to purchase detached catalytic converters (e.g., a scrap metal business).

Part B: Proscribed Penalties for Unlicensed Dealing in Detached Catalytic Converters

The unlicensed dealing in detached catalytic converters would be defined as *Trafficking in Catalytic Converters in the First Degree*, as described in Part B of the previous subsection, and would constitute a class B felony.

Regulate De-Canning of Detached Catalytic Converters

The de-canning of catalytic converters entails the processes of disassembling catalytic converters for removal/processing of the internal core to extract the platinum, palladium, and rhodium. The workgroup learned that de-canning, while not prevalent in Washington, does take place by scrap processors. In addition, if current trends continue, de-canning activities could see an increase in the future. To enhance transparency about which businesses are engaged in the de-canning practice, Washington may, through the Department of Licensing,

create a *de-canning endorsement* and require scrap processors to acquire this endorsement to engage in de-canning activities.

Require Periodic Inspections of Licensed Purchasers

The workgroup learned, in consultation with representatives from the Department of Licensing and the Washington State Patrol, that scrap metal businesses are rarely inspected for compliance with regulations defined in chapter 19.290 RCW. The absence of these inspections appears to be linked to several issues. First, law enforcement currently lacks the necessary resources to carry out inspections of scrap metal businesses. Second, current law permits, but does not *require*, periodic inspections of scrap metal businesses (see RCW 19.290.190). Third, RCW 19.290.190 affords inspection authority to various law enforcement entities, including “chiefs of police, the county sheriffs, and the Washington state patrol...,” yet when combined with the lack of funding for inspections, this appears to reduce the likelihood of any one agency engaging in inspections, since doing so is a strain on existing resources. Finally, language in chapter 19.290 RCW could create confusion regarding the conditions under which law enforcement may conduct an inspection. RCW 19.290.190 states that,

The chiefs of police, the county sheriffs, and the Washington State Patrol may make periodic inspection of the licensee's licensed premises and records provided for in this chapter during normal business hours.

RCW 19.290.50, however, appears to place limitations on the conditions under which records may be requested from scrap metal businesses:

Upon request by any commissioned law enforcement officer of the state or any of its political subdivisions, every scrap metal business shall furnish a full, true, and correct transcript of the records from the purchase or receipt of private metal property, nonferrous metal property, and commercial metal property **involving only a specified individual, vehicle, or item** of private metal property, nonferrous metal property, or commercial metal property.

Thus, Washington could adopt the following approach:

- 1) Require periodic inspections of all licensed purchasers of detached catalytic converters;
- 2) Fund law enforcement’s inspection activity to support the increased number of inspections;
- 3) Clarify in RCW 19.290.190 and RCW 19.290.050 the circumstances under which onsite inspections can be conducted by law enforcement, and the conditions under which law enforcement may request records from scrap metal businesses;
- 4) Require Washington State Patrol to develop a standardized inspection form and to train local law enforcement agencies on inspection procedures of licensed purchasers;
- 5) Specify which law enforcement entities would specifically have the duty to inspect the different business types that are licensed to purchase detached catalytic converters; and
- 6) Allow inspections to be conducted by civilian employees or limited commission law enforcement to increase the availability of potential inspectors.

Define Catalytic Converter Theft as a Class B Felony

To potentially deter theft of catalytic converters, Washington could choose to increase the criminal penalties for such behavior. RCW 9A.56.030 defines theft of “private metal property,” the definition of which specifically includes catalytic converters, as a Class B Felony only when

the damages to the owner's property exceeds \$5,000. If an individual's catalytic converter is stolen, the damage rarely exceeds \$5,000. The cost of repair, however, remains significant (approximately \$1,500 for an average vehicle), and until a repair is completed, vehicles are disabled, leaving victims without transportation. RCW 9A.56.030 could be modified to specifically classify any theft of a catalytic converter as a Class B Felony. In doing so, the criminal penalties could be considerably enhanced for those convicted of catalytic converter theft, who could face Gross Misdemeanor or Class C Felony charges under current law (see Table 4).

Create a Database to Match Catalytic Converters with Vehicle Types

Currently, there is no verified resource or database for law enforcement to readily identify detached catalytic converters and to match them to specific vehicle models for which they were designed. The workgroup has learned from law enforcement that successful investigations of catalytic converter theft are often limited by the inability to identify detached catalytic converters, which at present are unmarked. Washington could establish a database—or verify the accuracy of existing publicly available databases (e.g., converterdatabase.com)—where detached catalytic converters could be identified by image and description, and then linked to the vehicle makes and models that employ that specific catalytic converter.

OPTIONS TO REDUCE THE IMPACTS OF CATALYTIC CONVERTER THEFT ON VICTIMS

Create a Victim Compensation Program

Currently, Washington offers a Crime Victim Compensation Program (CVCP) which aims to assist victims of serious violent crimes. This program is administered by Labor and Industries, and access to program funds requires any of the following conditions: 1) the victim was injured in a violent crime that occurred in Washington State, 2) the individual seeking compensation is the survivor of a homicide victim, or 3) the victim is a Washington State resident who was injured by an act of terrorism in a foreign country.

Catalytic converter theft victims do not suffer the same consequences of violence that are addressed by the CVCP program. Some victims of catalytic converter theft, however, may suffer the loss of their sole transportation, ultimately affecting that individual's ability to work and provide for themselves and their families. The workgroup also learned that small businesses, including auto dealerships, who experience large-scale catalytic converter theft (incidents affecting many vehicles) run the risk of losing their insurance, which puts their business at risk. As a result, Washington could establish a compensation program to assist individuals and businesses who have been the victim of catalytic converter theft. The fund could take the following approach:

- 1) Levy a \$2 fee attached to vehicle registration;
- 2) Allow the fee to sunset in six years, since elevated levels of catalytic converter theft may not persist into the future;

- 3) Ensure funds are available to catalytic converter theft victims at the time of vehicle repair or earlier;
- 4) Adopt one of the following levels of inclusiveness to establish qualifying catalytic converter theft victims:
 - a. Option A (more inclusive): Allow access to all individuals and small businesses who experience catalytic converter theft (require a police report of the incident)
 - b. Option B (less inclusive): Allow access to lower-income individuals, small businesses who demonstrate a financial hardship, and non-profit organizations who provide transportation services;
- 5) Allow the fund to support law enforcement inspections of licensed businesses who purchase detached catalytic converters.

Facilitate Processes Needed to Encourage Insurance Discounts for Anti-Theft Devices

At present, the private sector has responded to catalytic converter theft by producing several anti-theft devices. These devices generally take two approaches: 1) provide a physical barrier around the catalytic converter, making theft more time-consuming and difficult, and 2) install an alarm specific to the catalytic converter that will signal upon attempted removal. The physical barriers often take the form of a metal plate that bolts onto the underside of a vehicle and blocks access to the catalytic converter. These devices have typically been available through third-party manufacturers, though Toyota recently became the first auto manufacturer to introduce an optional catalytic converter shield for their 2023 Toyota Prius (\$140 plus installation).¹⁷ Alternatively, a catalytic converter surround made from difficult-to-cut metal cable is also available and is designed to clamp around the catalytic converter. Options such as these do not guarantee that a catalytic converter will not be stolen, but they do offer the prospect that thefts will take considerably longer to complete. This may increase the likelihood of being caught, and consequently deter individuals from engaging in theft when such devices are present.¹⁸

Alarms do not offer physical protection, but instead operate like standard vehicle alarms. The primary difference is that, while it may be possible to remove a catalytic converter from some vehicle types without triggering a whole-vehicle alarm, catalytic converter alarms are more certain to signal when the catalytic converter is tampered with.

The costs of such devices range substantially, though alarms tend to be cheaper than physical barriers. Alarms can be purchased from various sources for less than \$100, while physical

¹⁷ <https://www.caranddriver.com/news/a42306568/toyota-prius-catalytic-converter-guard/>

¹⁸ Cohen, L. E., & Felson, M. (1979). Social change and crime rate trends: A routine activity approach. *Journal of Research in Crime and Delinquency*, 17 (2), 140-159. Cohen, L. E., Felson, M., & Land, K. C. (1980). Property crime rates in the United States: A macrodynamic analysis, 1947-1977; with *ex ante* forecasts for the mid-1980s. *American journal of sociology*, 86(1), 90-118.

barriers often cost several hundred dollars, depending upon the type of vehicle and the strength/quality of materials used to create the barrier.¹⁹

In Washington, as well as several other states (e.g., Florida, Illinois, Kentucky, Louisiana, Massachusetts, Minnesota, New Mexico, New York, Pennsylvania, Rhode Island, and Texas), insurance companies are required to consider whether vehicles have anti-theft devices when calculating their insurance rates and to offer insurance premium discounts for vehicles with anti-theft devices installed (see RCW 48.19.501). The devices addressed under current statutes, however, are those designed to prevent auto-theft, not catalytic converter theft.

The workgroup examined whether it would be feasible for Washington to require or encourage auto insurance companies to offer insurance discounts to policy holders who install catalytic converter anti-theft devices. Communication with the Office of the Insurance Commissioner for Washington State revealed that insurance companies would first have to demonstrate that catalytic converter anti-theft devices produce a statistical decrease in theft insurance claims. This is necessary to remain compliant with chapter 48.18 RCW and chapter 48.19 RCW. Thus, the legislature could investigate whether insurance companies are collecting the necessary data to determine whether catalytic converter anti-theft devices reduce claims. In addition, the legislature may opt to investigate whether mechanisms exist to encourage insurance companies to file for such discounts with the Office of the Insurance Commissioner, should the data support a statistical decrease in theft claims.

RECOMMENDATIONS FOR LEGISLATIVE ACTION

This section describes the workgroup's recommendations for legislative action to reduce catalytic converter theft and to reduce the harm to victims of catalytic converter theft. Given the diverse interests represented by workgroup members, full consensus was not reached on all recommendations. As a result, the following sections are organized by recommendations with *broad consensus* and recommendations with *lesser consensus*. Recommendations with broad consensus were characterized by those with: 1) widespread support voiced by workgroup members, 2) few members who abstained from taking a position, and 3) little to no dissent voiced by workgroup members. Recommendations with lesser consensus were characterized by those with dissent voiced from multiple workgroup members and numerous workgroups members who chose to abstain from taking a position.²⁰ This section describes the reasons for dissent and/or concern where appropriate to make clear the various viewpoints

¹⁹ MillerCat (<https://catshield.com>) produces "Cat Shields" for numerous vehicles and is also the manufacturer selected by Toyota and Lexus for a partnership to offer these devices to Toyota and Lexus customers. While the Toyota Prius Cat Shield retails for \$140, Cat Shields for larger vehicles are more costly. For example, the Toyota Tundra Cat Shield retails for \$540.

²⁰ To assess levels of consensus, the workgroup members voted on the options described in this report. Workgroup members representing the Superior Court Judge's Association and the District and Municipal Court Judges' Association chose to abstain from voting to maintain their professional neutrality.

held by workgroup members and to provide the legislature a more complete picture of the options available to address catalytic converter theft and its harms.

Recommendations with Broad Consensus

Options to Deter Catalytic Converter Theft

The following recommendations, described in detail in the “Options to Deter or Prevent Catalytic Converter Theft” section of this report, achieved broad consensus among the workgroup members:

- **Create a Public Awareness/Educational Campaign** to inform the public on specific steps to reduce the likelihood of being victimized by catalytic converter theft (see page 17 of this report).
- **Require VIN Etching for Commercial Vehicle Sales** to facilitate the possibility of tracking detached catalytic converters by law enforcement (see pages 17-18 of this report).
- **Require Permanent Marking of Detached Catalytic Converters (Part A: Marking Requirements)** to facilitate tracking and investigation (see page 18-19 of this report).
Workgroup members were largely favorable toward the option of marking all catalytic converters upon their removal from an originating vehicle. Some members, however, were opposed to this option. The primary concern with this option surrounded the potential that individuals could possess an unmarked detached catalytic converter that is not stolen, yet their property may still be seized until ownership could be demonstrated.
- **Adopt Proscribed Penalties for Possession of Unmarked Detached Catalytic Converters** to provide law enforcement with needed tools to address catalytic converter theft (see page 19 of this report).
Workgroup members were largely favorable to toward this option. It important to note, however, that workgroup members representing judicial associations specifically abstained from taking a position on recommended penalties and the Office of Public Defense opposed these recommended penalties (see Appendix A). A concern was also raised to indicate that these recommended penalties should no apply to businesses, but rather to individual persons.
- **Adopt Proscribed Penalties for Trafficking in Unmarked Detached Catalytic Converters** to provide law enforcement with the needed tools to address catalytic converter theft (see pages 19-20 of this report).
As was the case above, workgroup members were largely favorable to toward this option, though workgroup members representing judicial associations specifically abstained from taking a position on recommended penalties and the Office of Public Defense opposed these recommended penalties (see Appendix A). A concern was also raised to indicate that such penalties should not apply to transactions between businesses.
- **Prohibit Unlicensed Dealing in Detached Catalytic Converters (Part A: License Requirement)** to ensure all purchases are regulated (see page 20 of this report).

- **Adopt Proscribed Penalties for Unlicensed Dealing in Detached Catalytic Converters** to provide law enforcement with necessary tools to address catalytic converter theft (see page 20 of this report).
Here again, workgroup members were largely favorable to toward this option, yet workgroup members representing judicial associations specifically abstained from taking a position on recommended penalties and the Office of Public Defense opposed these recommended penalties (see Appendix A). A similar concern raised about other penalties was also raised here, suggesting that these recommended penalties should focus on individuals, not businesses.
- **Regulate De-Canning of Catalytic Converters** through a required de-canning endorsement to make known the scrap processors that engage in this practice (see pages 20-21 of this report).
- **Require Periodic Inspections of Licensed Purchasers** who deal in detached catalytic converters (see page 21 of this report).
- **Create A Database to Match Catalytic Converters with Vehicle Types** to facilitate law enforcement’s ability to investigate and track *unmarked*, detached catalytic converters (see page 22 of this report).
While this option held broad consensus by workgroup members, some concern was expressed regarding the cost of such an option, should a database need to be fully developed and maintained for this purpose.

Options to Reduce the Impacts of Catalytic Converter Theft on Victims

The following recommendations, described in detail in the “Options to Reduce the Impacts of Catalytic Converter Theft on Victims” section of this report, achieved broad consensus among the workgroup with little to no dissent:

- **Create a Victim Compensation Program** to assist victims of catalytic converter theft with recovery (see pages 22-23 of this report).
While this option received broad consensus, some concern was expressed about the suggested funding source, which would entail a \$2 fee attached to vehicle registration. Some workgroup members noted that this may not be popular among a portion of the public. In addition, there was some concern expressed about which victims of catalytic converter theft should qualify for assistance through the recommended program. On one hand, some members believed that the program should be limited to lower-income individuals while others believed that the program should assist all individuals and small businesses who experience catalytic converter theft.
- **Facilitate Processes Needed to Encourage Insurance Discounts for Anti-Theft Devices** such that policyholders who install these devices receive reduced auto insurance rates (see pages 23-24 of this report).
While this option received broad consensus, some workgroup members believed that insurance companies should be *mandated* to offer discounts while most

members held the position that they should be *encouraged* to offer discounts. The workgroup learned, however, that discounts could not be encouraged or mandated until insurance companies first demonstrate (statistically) that such devices lower theft claims.

Recommendations with Lesser Consensus

Options to Deter Catalytic Converter Theft

The following recommendation, described in detail in the “Options to Deter or Prevent Catalytic Converter Theft” section of this interim report, achieved lesser consensus among the workgroup, with some members expressing strong opposition:

1. **Define Catalytic Converter Theft as a Class B Felony** to increase the potential criminal penalties for this behavior (see pages 21-22 of this report).

Workgroup members who supported this option generally viewed it as a useful tool for police and prosecutors to address the problem of catalytic converter theft more effectively. It was believed that the Felony B classification could be used by prosecutors for needed leverage in cases involving catalytic converter theft. Some members also viewed this option as useful for creating a comprehensive approach to catalytic converter theft, whereby further criminalizing these thefts would help to address the problem from as many angles as possible. Other members viewed the Felony B classification as fitting the crime since catalytic converter theft is nearly as impactful as auto theft; in both instances, victims lose use of a vehicle for an extended period.

On the other hand, several members opposed, strongly opposed, or abstained from taking a position on this option for the following reasons: Increased penalties are unlikely to further deter individuals from engaging in theft behavior, consistent with criminological evidence about general deterrence; increased penalties could target individuals who engage in low-level thefts when increased penalties would be better directed at traffickers and those engaged in organized thefts of catalytic converters; costs to the state could increase due to heavier reliance on incarceration; the collateral consequences of a conviction for a Felony B offense is substantial and could perpetuate social challenges such as poverty (due to various restrictions to social services); classifying catalytic converter theft as a Class B Felony will not increase any compensation that victims might receive; additional costs to the state to support prosecution and incarceration of Class B felonies will take away resources that could instead be directed toward a taskforce to address organized crime and higher-level offenders in possession of numerous stolen catalytic converters. In addition, Appendix A contains a statement by the Office of Public Defense expressing opposition to this recommendation.

PILOT PROGRAM TO REDUCE CATALYTIC CONVERTER THEFT

Background

As described earlier in this report, catalytic converters are not marked with VIN information by auto manufacturers and are generally untraceable by law enforcement.²¹ In addition, they contain precious metals that have recently undergone a dramatic increase in value and can be removed from a vehicle in a matter of minutes. Consequently, these devices have become an ideal target for theft.

Currently, there is no research to guide the effective reduction of catalytic converter theft,²² though there is reason to believe that marking catalytic converters with VIN information may be a useful strategy. As discussed previously, marking catalytic converters with VIN information can assist law enforcement officers with tracing their origins back to specific vehicles, and in doing so, this can help determine whether they were stolen. In addition, marking catalytic converters with VIN information, and highlighting the marked catalytic converters with bright high temperature paint, may also deter individuals from engaging in theft.

Based on these principals, several jurisdictions around the country, and in Washington State, have begun to implement marking programs. In Everett, WA the police department recently implemented Project CATCON ID²³ to mark catalytic converters with the last 8 digits of their respective VINs and to highlight the markings in high temperature paint. Project leaders held marking events in January and April of 2022 and aimed to mark several hundred catalytic converters. In Everett, Project CATCON ID also partnered with a local automotive repair business, Z Sport Automotive, to administer the marking at no cost to customers. For convenience, the marking was provided at the same time as other routine maintenance, such as oil changes. In a similar fashion, Bellevue Police Department partnered with Honda Auto Center of Bellevue to carry out their own Project CATCON ID event.²⁴

Other states have adopted similar programs, and some have chosen alternative approaches to marking. In 2021, Minnesota passed legislation to implement the CATGUARD Pilot Program, which is administered by the Department of Commerce Fraud Bureau.²⁵ The Commerce Fraud Bureau chose a product called CATGUARD²⁶ to mark catalytic converters. The CATGUARD is a high-temperature-resistant, difficult-to-remove sticker containing a unique identification number that can be placed on a cool-to-the-touch catalytic converter. In addition, an etching fluid is applied to the label which permanently etches the unique ID into the metal of the catalytic converter via a chemical process. The ID is then registered in a database with relevant

²¹ Some catalytic converters are marked with serial numbers, but this information is generally not sufficient for tracing a catalytic converter back to the vehicle from which it was removed.

²² Given the recency of the catalytic converter theft problem, methodologically rigorous research has yet to address effective approaches to reduce incidents of theft.

²³ <https://www.everettwa.gov/2743/Catalytic-Converter-Theft-Project-CATCON>

²⁴ <https://www.bellevuehonda.com/blog/catcon-id-event>

²⁵ <https://mn.gov/commerce/consumers/your-vehicle/auto-theft-prevention/catalytic-converter-pilot.jsp>

²⁶ <https://vehicleroadsafetysolutions.com>

owner and vehicle information that can then be accessed by law enforcement to trace catalytic converters and determine they have been stolen. Minnesota’s program has targeted 15 vehicle makes/models at high risk of catalytic converter theft owners of these vehicles qualify to receive by mail a free CATGUARD kit that can be self-installed.

Recommended Pilot Program

While the newer CATGUARD product appears promising, the workgroup recommends a marking program based on manually etching the last 8 digits of VINs onto catalytic converters and painting them with high-temperature red paint. This approach avoids the need to rely on a third-party database, and additionally, it incorporates the potential visual deterrent of high temperature paint.

Program Goals

1. Mark approximately 100,000 catalytic converters of high-risk vehicles, with emphasis on the following makes/models:

Vehicles Identified as High-Risk in West Coast Region			
Year	Make	Model	Total Registered in WA
1985-2021	Ford	F-Series	446,400
1999-2021	Chevrolet	Silverado	204,600
1989-2020	Honda	Accord	129,300
1995-2021	Toyota	Tacoma	121,600
1998-2020	Subaru	Forester	103,600
2007-2020	Subaru	Outback	93,300
2001-2021	Toyota	Prius	87,800
1990-2022	Ford	Econoline	58,600
2007-2017	Jeep	Patriot	12,300
2003-2011	Honda	Element	10,900

The workgroup concluded that a pilot program should aim to mark a significantly larger number of vehicles as compared to smaller local level marking programs that have aimed to mark a few hundred vehicles during limited scheduled events.

2. Target communities that meet the following requirements:
 - a. Catalytic converter theft should be demonstrated to be on the rise and to constitute a significant community problem.
 - b. The police department should keep clear records of catalytic converter thefts that can be identified separately from other more general categories of theft, such as theft of metals or theft of other auto parts.
 - c. Police departments should be willing and prepared to make data on catalytic converter thefts available for analysis/assessment of the pilot program
 - d. The pool of selected communities should range from urban to rural if reasonable. Consideration, however, should be given to selecting communities

where the population of high-risk vehicles is not so large to preclude the reasonable expectation that a substantial portion of these vehicles could be marked.²⁷

- e. Qualifying communities should demonstrate partnerships with local automotive repair/service shops and/or auto dealerships who will provide the etching and painting services

Program Costs

The workgroup examined likely costs associated with administering a catalytic converter marking program. Based on the costs associated with Project CATCON ID that was facilitated by Honda Auto Center of Bellevue, the following was determined:

- The start-up costs for acquiring the hardware to etch, by hand, the last 8 digits of VINs is approximately \$1,000 per location.
- After start-up, the costs, including hourly wages and supplies (primarily for high-temperature paint), is approximately \$60 per catalytic converter.

Program Assessment Criteria

The primary metrics of interests for assessing the efficacy of the pilot program may include the following:

- Total number of reports to police of catalytic converter thefts in each community pre and post program implementation
- Total number of insurance claims for catalytic converter thefts in each community pre and post program implementation
- Total number of catalytic converter replacements provided by auto repair shops/dealers pre and post program implementation
- Total number of catalytic converters purchased by scrap metal businesses pre and post program implementation

Each of the above criteria should also be examined within the population of vehicles identified as high-risk and targeted by the pilot program for marking.

CONCLUSION

In recent years, catalytic converter theft has increased substantially in Washington State and across the nation. The increase in theft appears to be linked to multiple factors: 1) precious metals used in the manufacture of catalytic converters have seen a dramatic increase in monetary value, motivating an increase in theft among low-level offenders and more organized criminal enterprises; 2) catalytic converters can be rapidly removed from some vehicles, often in less than one minute; and 3) detached catalytic converters are not marked with VIN information by manufacturers making it difficult or impossible to link detached catalytic converters to their originating vehicles.

²⁷ Marking a small subset of high-risk vehicles within a community may leave too many available targets to meaningfully effect rates of catalytic converter theft.

The theft of catalytic converters causes considerable distress, cost, and inconvenience to victims, many of whom lose access to their sole means of transportation and incur substantial costs for the repair of their vehicle. In some cases, larger-scale, single incident thefts targeting auto dealers have produced extensive losses.

During the 2021-2022 legislative session, the Washington State Legislature passed E2SHB 1815, which directed WSU to convene a working group of key stakeholders and charged them with accomplishing a series of tasks associating with addressing catalytic converter theft. Starting in July and continuing through most of December, workgroup members participated in weekly virtual meetings to study catalytic convert theft; to examine options to reduce catalytic converter theft and the associated harms experienced by victims; to make actionable recommendations to the legislature; and to recommend a potential pilot program for reducing catalytic converter theft. By the conclusion of this series of meetings, the E2SHB 1815 workgroup produced thirteen actionable recommendations for consideration by the legislature that have been presented in this report. While catalytic converter theft has been a considerable problem for Washingtonians, the workgroup is hopeful that the recommendations herein will offer some relief to victims and will assist in an overall reduction of catalytic converter theft across the state.

APPENDIX A. STATEMENT BY THE WASHINGTON STATE OFFICE OF PUBLIC DEFENSE

The Office of Public Defense appreciates the opportunity to be included in the discussion about how to prevent catalytic converter theft in Washington. We also appreciate the recommendations this committee has made with respect to deterring theft, such as painting and engraving programs. These programs make it more difficult to sell stolen converters, and also make it possible to identify the proper owners. Some members of this committee have proposed adding and/or increasing criminal penalties to address this problem, however, and OPD strongly opposes those suggestions. First, statutes relating to theft and possession of stolen property already exist. Second, it is our understanding of the state of the research in criminology that increasing criminal penalties does not actually deter crime. Third, we believe that scarce government funds should be used to address the root cause of crime - poverty and inequality - rather than to perpetuate poverty and inequality by further expanding mass incarceration. The Office of Public Defense encourages the Legislature to adopt approaches to crime that are evidence-based and supported by academic research.