

**HB871\_NICB\_De Campos\_FAV.pdf**

Uploaded by: Eric De Campos

Position: FAV



March 25, 2024

The Honorable Pamela Beidle and Members of the Committee  
Senate Finance Committee  
Maryland General Assembly

RE: HB 871 – Catalytic Converter Recordkeeping Requirements – SUPPORT

Dear Chair Beidle and Members of the Committee:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Maryland. Working hand-in-hand with our member companies and Maryland state and local law enforcement, we help to detect, prevent, and deter insurance crimes. While NICB provides value to our member companies, we also serve a significant public benefit by helping to stem the estimated billions of dollars in economic harm that insurance crime causes to individual policy holders across the country every year.

Catalytic converter theft has skyrocketed in recent years in part due to the significant rise in the price of various precious metals, including rhodium, platinum, and palladium. All are used in the construction of catalytic converters. Criminals are seizing the opportunity to profit off these increased prices by removing the catalytic converter from vehicles – in relatively easy fashion – and selling the stolen part on the black market. The component precious metals can be recycled into new products. Nationally, catalytic converter thefts reported to NICB more than quadrupled from 3,389 in 2019 to 14,433 in 2020. Thefts jumped dramatically yet again to over 64,422 in 2022, an increase of 1,800% since 2019. Thefts in Maryland increased by nearly 1,260% during this same period.

Additionally, installing a replacement catalytic converter can cost thousands of dollars. Because thieves try to remove the converters as quickly as possible, their hastiness often causes higher repair costs due to incidental damage. Moreover, businesses with large vehicle fleets, such as vehicle dealerships or utility companies, are often targeted due to the number of potential marks in a small area. Thefts from commercial carriers can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations. Beyond the financial impact to consumers, catalytic converter thefts can have second-order effects that can also result in more violent crimes.

House Bill 871 recognizes the significant rise in rates of catalytic converter theft both statewide and across the nation by implementing necessary regulation, including establishing additional recordkeeping requirements for automotive dismantlers and recyclers as well as scrap metal processors. These requirements will help deter thieves from selling stolen catalytic converters and provide regulators and law enforcement officials important records to investigate catalytic converter thefts, particularly those involving prolific thieves or organized rings.

**Accordingly, we respectfully request your support for House Bill 871.**



We thank you for considering our views as you deliberate the merits of this bill. We strongly encourage you to utilize NICB as a resource and partner in the fight against catalytic converter theft. If you have any questions or need additional information, please contact me at edecampos@nicb.org or 847.989.7104.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric M. De Campos". The signature is fluid and cursive, with a long horizontal line extending to the right.

Eric M. De Campos  
Senior Director  
Strategy, Policy and Government Affairs  
National Insurance Crime Bureau

**Department of State Police Position Paper HB 871.p**

Uploaded by: Joey Sybert

Position: FAV



**State of Maryland**  
**Department of State Police**  
Government Affairs Unit  
Annapolis Office (410) 260-6100

**POSITION ON PROPOSED LEGISLATION**

**DATE:** March 26, 2024

**BILL NUMBER:** House Bill 871      **POSITION:** Support

**BILL TITLE:** Business Regulation – Detached Catalytic Converters – Record Keeping Requirements

**REVIEW AND ANALYSIS**

This legislation requires the records of junk dealers and scrap metal processors to include additional information for each purchase of detached catalytic converters. The additional information required for the records are the vehicle identification number, the registration plate number, make, and model from which all or part of the detached catalytic converter was obtained.

Under current law, junk dealers and scrap metal processors are required to report the acquisition of catalytic converters and other certain articles required in the law. The records include who may have brought the item(s) in for disposal. Local and state law enforcement have access to the electronic records and are able to review the business records during normal business hours.

In CY 2023, the State of Maryland received records for 33,156 catalytic converters processed at Scrap and Automotive Dismantler and Recycler dealers. This substantial volume of converters lacked identifying information, hindering the recovery of unlawfully removed converters from residents' vehicles. The State of Maryland and the mid-Atlantic region have experienced a continued increase in thefts of these items from both personal and fleet vehicles. These thefts frequently remain unresolved due to the inability to trace the origin of the converter once it's been removed from a vehicle.

Mandating identification of the vehicle from which the detached catalytic converter was removed would enable law enforcement to ascertain whether possession of the item resulted from a lawful vehicle repair or theft. Detached catalytic converters can cost the victim several thousand dollars to replace. The information required to be captured and reported would aid in the closure of criminal investigations. The knowledge that the detached catalytic converter could be traced back to the vehicle would act as a deterrent to thieves and businesses accepting the items.

For these reasons, the Department of State Police urges the committee to give House Bill 871 a favorable report.

# **Testimony in support of crossover bill HB0871.pdf**

Uploaded by: Richard KAP Kaplowitz

Position: FAV

**CROSSOVER BILL HB0871\_RichardKaplowitz\_FAV**

3/26/2024

Richard Keith Kaplowitz  
Frederick, MD 21703

**TESTIMONY ON CROSSOVER BILL HB#/0871 - POSITION: FAVORABLE**

**Business Regulation - Detached Catalytic Converters - Record-Keeping Requirements**

**TO:** Chair Beidle, Vice Chair Klausmeier and members of the Finance Committee

**FROM:** Richard Keith Kaplowitz

**My name is Richard Keith Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of CROSSOVER BILL HB#/0871, Business Regulation - Detached Catalytic Converters - Record-Keeping Requirements**

This bill is an attempt to make much clearer the source for any catalytic convertor in the marketplace to ensure they are properly tracked and accounted for and not acquired through a theft. Kelly Blue Book, the guide to car and car component prices, has noted:

“There’s a significant black-market trade in catalytic converters because the rare metals that make them work started soaring in value. So, why is this car part a target for thieves? Catalytic converters are desirable to thieves because they include high-value metals that can be recycled and resold. Thieves can easily and quickly remove catalytic converters.”<sup>1</sup>

Vox.com points out in detail the reasons for the thefts:

“At first glance, catalytic converters seem like a weirdly specific part to steal. But there’s a reason for that — they’re rich in precious metals, such as platinum, palladium, and rhodium. A thief can earn a couple hundred bucks from a typical catalytic converter. (In the US, secondhand converters **aren’t reused in cars**. Rather, these parts eventually end up at refineries that process the metal.)”<sup>2</sup>

This bill will help law enforcement ensure that the theft of the converters and their disposal is more tightly monitored and controlled. **I respectfully urge this committee to return a favorable report on CROSSOVER BILL HB#/0871.**

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<sup>1</sup> <https://www.kbb.com/car-advice/catalytic-converter-theft/#:~:text=There's%20a%20significant%20black%20market,can%20be%20recycled%20and%20resold.>

<sup>2</sup> <https://www.vox.com/2023/5/20/23728557/catalytic-converter-theft-scrap-price-replacement-toyota-prius-cars-insurance-protection>

**BaltimoreCounty\_FWA\_HB0871.pdf**

Uploaded by: Shawn Vinson

Position: FWA





JOHN A. OLSZEWSKI, JR.  
*County Executive*

JENNIFER AIOSA  
*Director of Government Affairs*

AMANDA KONTZ CARR  
*Legislative Officer*

WILLIAM J. THORNE  
*Legislative Associate*

**BILL NO.: HB 871**

**TITLE: Business Regulation – Catalytic Converters – Record-Keeping Requirements**

**SPONSOR: Delegate Jackson**

**COMMITTEE: Finance**

**POSITION: SUPPORT with Amendment**

**DATE: March 26, 2024**

Baltimore County **SUPPORTS with Amendments** House Bill 871. The aim of this legislation is to reduce the number of catalytic converter thefts in Maryland. A catalytic converter is a required part of a vehicle's exhaust system. The converter removes harmful chemicals from the vehicle's exhaust emissions while running. These converters contain high-valued precious metals, which makes them attractive to thieves. With the use of a portable powered hand saw, a thief can easily remove a catalytic converter from underneath a vehicle in a matter of seconds. The thief must then sell the converter to someone who can convert the part to retrieve the precious metals from inside. Baltimore County Police has determined the following number of catalytic converter thefts in Baltimore County:

2021- **424**  
2022- **724**  
2023- **508**

The precious metals inside a converter can be and usually are re-sold. Palladium sells for \$1016.00 per ounce, Rhodium sells for \$4,675.00 per ounce, and Platinum resells for \$963.50 per ounce- all of which are found in the catalytic converter. In addition, the cost to a victim runs between \$800 to \$1,200 to repair their exhaust and replace the catalytic converter, after the converter has been stolen from their vehicle.

Under the current law, scrap metal processors must report their acquisitions of catalytic converters into a digital database shared with Maryland law enforcement agencies. The current law does not require an automotive dismantler from reporting the purchase of a catalytic converter. This bill would require a dismantler to report, in the same fashion that exists for a scrap metal processor. The reporting of the vehicle identification number (VIN) is vital in order

for law enforcement to determine if the part was stolen. The VIN will identify the actual owner and can be used to ensure that the converter is not stolen.

This bill does not prohibit the purchase of a catalytic converter, it merely is a requirement of the seller to report their identifying information at the time of the purchase.

Baltimore County agrees with the amendment from the House, focusing the reporting requirements on detached catalytic converters received from individuals. This would effectively identify catalytic converters thieves and the victim, with the VIN being reported as required by HB 871.

Accordingly, Baltimore County requests a **FAVORABLE with Amendment** report on HB 871 from the Senate Finance Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at [jaiosa@baltimorecountymd.gov](mailto:jaiosa@baltimorecountymd.gov).