



## LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE SACRAMENTO LEGISLATIVE OFFICE

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March 16, 2022

Senator Richard D. Roth, Chair  
Senate Business, Professions and Economic Development Committee  
1021 O Street, Room 3320  
Sacramento, CA 95814

### **SENATE BILL 986 (UMBERG and PORTANTINO) SPONSOR**

Dear Senator Roth:

The Los Angeles County District Attorney's Office is pleased to sponsor Senate Bill 986 (Umbert and Portantino).

Catalytic converter thefts have reached epidemic levels nationally and in the State of California. Nationally, there has been a 1,171% increase in these thefts since 2019. A recent report released by State Farm Insurance showed that California leads the nation in the number of catalytic converter thefts. In Los Angeles County, the Sheriff's Department reported a 400% increase in catalytic converter thefts from 2019 to 2020. Across California, catalytic converter replacements increased more than 90% in 2020. State Farm paid over \$10.8 million for 4,507 catalytic converter theft claims in California in 2020. Last year, those numbers more than doubled to \$23 million paid for 9,057 theft claims.

Catalytic converters, which are emissions control devices located underneath a vehicle, restrict carbon monoxide from coming out of a vehicle's tailpipe. Catalytic converters contain three valuable metals, including platinum, rhodium and palladium which is why they are stolen in such large numbers. Thieves can sell catalytic converters for hundreds, even thousands of dollars depending on the size of the parts stolen.

While the number of catalytic converter thefts skyrocket across California, there are significant legal challenges to investigating and prosecuting these crimes under California's existing statutes. These motor vehicle parts are very valuable and easily removed by thieves. Most major vehicle parts such as the engine block, transmission, frame, doors, and firewall sold in the United States are identified by an imprinted serial number relating to the unique Vehicle Identification Number (VIN). These identification markings allow law enforcement to establish that parts are stolen, even if the stolen vehicle has already been fully broken down. However, this serial number identification process currently does not apply to catalytic converters, and as such,

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vehicle manufacturers do not mark these parts with a serial number. Consequently, law enforcement may arrest individuals in possession of hundreds of suspected stolen catalytic converters but be unable to prove a single case in court because without any identifying markers, it is impossible to determine the source of these parts. Unless police catch these individuals in the act of theft, there is virtually no way to identify the crime victims to prove that the parts were stolen. This legal loophole has resulted in an explosion in catalytic converter thefts, which currently is a crime that brings high profits with very little fear of legal repercussions.

Another legal loophole in need of a remedy relates to core recyclers of used vehicle parts. The only existing statute in California that addresses a core recycler's obligations regarding the purchase of used catalytic converters, maintenance of its records, and payment restrictions, is Business and Profession Code section 21610. That statute was enacted in response to a spike in catalytic converter thefts in California with the hope that these recordkeeping obligations and payment restrictions would dissuade end buyers from purchasing stolen catalytic converters, as well as assist law enforcement with identifying suspects. However, there is no obligation for a core recycler to obtain information necessary to identify the origin of a used catalytic converter purchased by the core recycler. Rather, if the core recycler and seller of a used catalytic converter have a written agreement between them, the core recycler is relieved from any obligation or duty to keep a record that would provide a traceable means of identifying the used catalytic converter. Under existing law, the core recycler or seller need only produce to an investigating law enforcement agency a copy of the sale and purchase contract, but that contract need not have any detailed identification of the converters being sold. Thus, there is no way to verify that any catalytic converter found in the possession of the core recycler or seller was in fact sold under that contract or instead obtained illicitly outside that contract. This loophole allows unscrupulous actors to use a purchase and sales contract to shield the origin of stolen catalytic converters.

SB 986 would close these loopholes by adding section 27150.9 to the Vehicle Code to require new and used car dealers to mark the catalytic converters of vehicles on sale. The application of a VIN to a catalytic converter is usually done by etching, a process that is both easy and inexpensive. This bill would also amend Business and Professions Code section 21610 to require core recyclers to record any unique identification number etched or engraved on a catalytic converter in addition to all other current identification requirements. It would also clarify that the core recycler's obligations under that section are only relieved if the written agreement between the recycler and the seller includes a log or other regularly updated record of each used catalytic converter purchased pursuant to the written agreement that describes each catalytic converter with sufficient particularity, including any identification numbers or markings, to be able to reasonably match any catalytic converter in the core recycler's inventory to the written agreement under which it was received.

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SB 986 is necessary to combat the overwhelming surge in catalytic converter thefts which have placed an enormous burden on the victims of these crimes. The changes proposed by this bill aim to deter would-be thieves from engaging in these thefts in the first place and to assist law enforcement in apprehending those individuals who choose to commit these crimes.

If you have any questions or need additional information, please contact Legislative Advocates Tamar Tokat and Dan Felizzatto in our Legislative Office at (916) 442-0668.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gascón", written in a cursive style.

GEORGE GASCÓN  
District Attorney

cc: Senator Tom Umberg  
Senator Anthony Portantino  
Members, Senate Business, Professions, and Economic Development Committee