

Public Safety and Security Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6796

Title: AN ACT CONCERNING CATALYTIC CONVERTERS.

Vote Date: 3/16/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2023

File No.: 364

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SPONSORS OF BILL:

Public Safety and Security Committee
Rep. Gary Turco, 27th District
Rep. Craig Fishbein, 90th District

REASONS FOR BILL:

This legislation aims to address the rising issue of catalytic converter theft by strengthening the State's laws. The bill authorizes the DESPP and DMV to work with other states in developing regional agreements to prevent theft and establishes a task force to study the effectiveness of current laws, specifically Public Act 22-43, and identify areas for additional legislation. Some provisions were removed from the raised bill in the adopted amendment such as requiring the VIN number to be marked on certain catalytic converters, and mandating insurance premium reductions for those cars. The remaining provisions should facilitate the development of effective strategies to reduce instances of theft, either through collaboration with neighboring states or within Connecticut itself.

SUBSTITUTE LANGUAGE:

-Section 2 was removed in the adopted amendment because of concerns that requirement this would force unnecessary burdens on Connecticut's auto wholesalers by requiring that all car dealers mark a vehicles catalytic converter with the VIN number. Concerns were also expressed about the feasibility of establishing premium reductions for cars that have had their converters marked.

-Section 3 was removed in the adopted amendment as it would have implemented more measures relating to VIN identification for cars never registered in the State, and this provision was reliant on section 2's inclusion.

-Section 4 was removed in the adopted amendment as it would have mandated additional documents to be produced during registration for cars that haven't been registered or were previously registered in another state or native tribe, and this provision was reliant on section 3's inclusion.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

[AAA, Managing Director, Public and Government Affairs, Alec Slatky](#): supports sections one and five of the raised bill to address catalytic converter theft. It is stated that catalytic converter theft has become a significant problem in recent years, with the number of thefts increasing by 1,215% from 2019-22. It is stated AAAs support for section 1 of the bill, which authorizes the DESPP and DMV to work with their partners in other states to combat catalytic converter theft through regional agreements. It is stated that an amendment to encourage interstate agreements should be incorporated to evaluate the effectiveness of state laws regarding catalytic converter theft. The clubs also support section 5, which would form a task force to evaluate the impact of Public Act 22-43 and recommend other policies to counter catalytic converter theft.

[Business Owner, Milton Rodriguez](#): supports this bill and they suggested that the bill could be improved by adding additional measures to prevent automobile theft. It is proposed a system should be implemented to mark not only catalytic converters but also other parts of the car that are targets for thieves. It is stated that the proposed system would require a database to maintain customer information and VIN numbers and would provide an insurance discount to consumers who purchase the parts marking anti-theft system. Additionally, the proposal would provide a warranty to offset out-of-pocket expenses and \$2500 towards a down payment for a replacement vehicle from the original dealer.

[Connecticut Auto Recyclers \(CAR\), President, William DeBacco](#): supports the intent to address issues of stolen catalytic converters. Specifically, it is stated their support for section five of the raised bill that would establish a task force to study the laws regarding converter theft. Further, CAR supports section one of the bill allowing the DESPP and DMV to enter into agreements with other states to develop a regional approach to combatting converter theft.

NATURE AND SOURCES OF OPPOSITION:

[American Property Casualty Insurance Association \(APCIA\), VP of Government Affairs, Kristina Baldwin](#): supports the goal of reducing catalytic converter theft through VIN marking but opposes the provision in the bill that requires a mandatory insurance premium reduction for vehicles that have a marked catalytic converter. It is stated that mandating discounts for unproven technologies or measures may result in policyholders who do not receive the discount paying more for insurance to subsidize the premiums of those who do receive the

mandatory discount. It is suggested that premium reductions should be based on actuarial data clearly demonstrating that a loss reduction measure reduces insurance losses and the extent to which the measure reduces insurance losses.

[Copart, Director of Government Affairs, Mark Binder](#): opposes this bill as it is currently written because of its significant unintended consequences that could severely impact the wholesale vehicle industry. To address these concerns, Copart recommends an amendment to add the word "retail" to the bill in section 2 line 23, which would accomplish the goal of protecting consumers while not affecting the wholesale automobile industry. It is further stated that Copart supports the objective of the bill to protect consumers from catalytic converter theft, and with the amended language, the bill can achieve its goal without negatively impacting the industry.

[Insurance Auto Auctions \(IAA\), Director of Government Affairs, Katerina Dotzeva](#): opposes this bill because of the requirement for used car dealers to mark the catalytic converters with a VIN on cars valued at least \$10,000. It is stated that IAA appreciates the intention to prevent the sale of stolen parts but maintain that the language is overly broad and would negatively impact legitimate business transactions handled by licensed entities. IAA requested an amendment to exclude a used car dealer conducting a wholesale vehicle auction or dealer-to-dealer wholesale transaction from the requirement.

[Insurance Association of Connecticut \(IAC\), General Counsel, Brooke Foley](#): opposes Subsection (h) of Section two of this bill requiring insurers to give a premium reduction to policyholders with marked catalytic converters. It is stated their belief that this discount would not be actuarially justified and would result in disparities for consumers. Additionally, it is stated that insurers would need to implement costly administrative processes to accurately calculate the risk and effectuate these discounts.

[Town of East Windsor, First Selectman, Jason E. Bowsza](#): supports the efforts to address the issue of catalytic converter theft in the state however, the bill needs additional clarification to better achieve its purpose. It is suggested that the bill should be clarified to apply only to retail sales, as including wholesalers would add an undue burden. It is further suggested that prohibiting the acceptance of precious metals in scrap yards and requiring a registry of scrappers could be potential deterrents to catalytic converter theft.

[Taxpayer, John Chunis](#): opposes the bill in its current form, as it does little to prevent catalytic converter theft, and the proposed punishment is inadequate. It is suggested the Committee makes catalytic converter theft a class A felony with a mandatory 10-year prison sentence, to deter criminals and protect low-income individuals from the devastating impact of converter theft.

The following testimonies were submitted in opposition to this bill unless specific changes were made in the adopted amendment:

[American Civil Liberties Union of Connecticut \(ACLU-CT\), Policy Counsel, Jess Zaccagnino – opposes unless amendments are made.](#)

[Motorcycle Industry Association, Senior Vice President of Government Relations, Scott Schloegel – opposes unless amendments are made.](#)

National Auto Auction Association (NAAA), Southern Auto Auction (SAA), President, Garrison Hudkins – opposes unless amendments are made.

Reported by: Lukas Houle

Date: 3/28/2023