

# Overview of NCOIL/NICB Catalytic Converter Model Law

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# Catalytic Converter Basics

## Explosion in Thefts Since 2019

- Theft-related claims up approximately 1200%

## What is a Catalytic Converter?

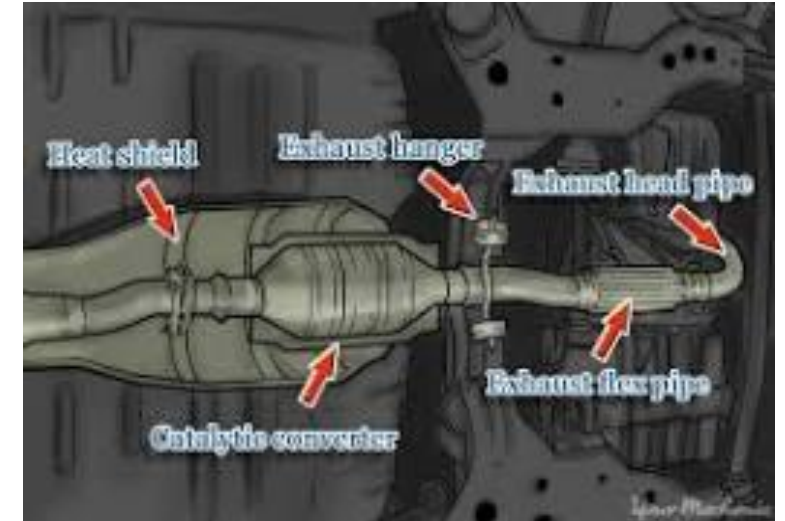
- Exhaust emission control device
- Converts toxic gases / pollutants in exhaust, reducing emissions
- Located in exhaust system between manifold and muffler

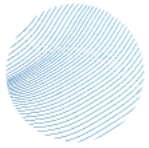
## What is the consumer impact?

- Violation of personal property and sense of community safety
- Disruption of daily life
- Loss of personal vehicles during lengthy repair process
- Increased claims = increased premiums

## What is the insurance impact?

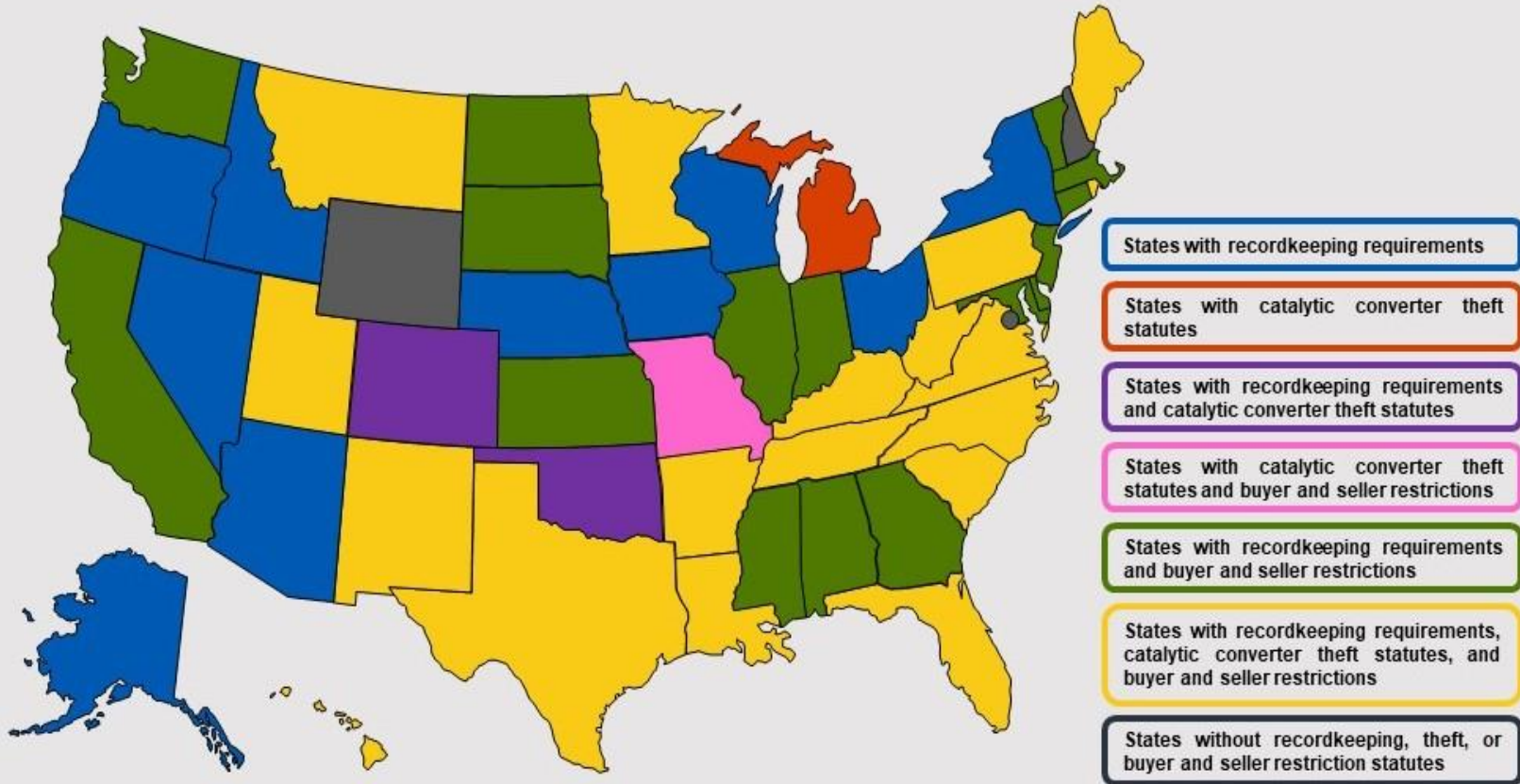
- Significant replacement and repair costs





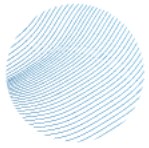
# State Policy Responses: Overview

## Catalytic Converter Statutes Breakdown



YEAR	INTRODUCED	ENACTED
2018	0	0
2019	1	0
2020	12	0
2021	64	11
2022	123	24
2023	95	18





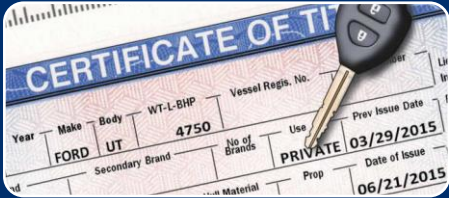
# State Policy Responses Through Legislative Provisions



## New Criminal Statutes



## Scrap Yard Regulations



## Buyer/Seller Restrictions



## Presumption of Guilt

# Federal Policy Response - The PART Act

## “Preventing Auto Recycling Theft Act”

### 3 Main Provisions

- Federal Criminal Statute
- Scrap Yard Regs
- Stamping Requirement

### Partnering with stakeholders:

- P&C Insurance Industry
- Rental Car Industry
- Scrap Metal Recyclers
- Vehicle Dealers



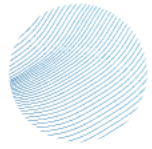
**Strengthening  
Criminal Laws  
and Penalties**



**Regulating  
Catalytic  
Converter  
Purchases**



**Stamping**



# NCOIL Model Overview

New Criminal  
Statutes

Buyer  
Limitations

Seller  
Restrictions

VIN Etching  
Grant Program



# Model Legislation: Catalytic Converter Theft

Creates **new criminal statutes** for catalytic converter theft

- Classifies thefts as a **felony**
- Establishes **aggravated theft** as a **felony**, determined by:
  - Repeat offenses
  - Committing theft while armed

Establishes **receiving stolen catalytic converters** as a **felony**

Establishes terms of imprisonment and financial penalties

# Model Legislation: Limitations for Buyers

- Establishes recordkeeping requirements for buyers
- Requires all purchases to take place at a fixed business address
- Buyers must verify a seller's authorization to trade in catalytic converters





# Model Legislation - Limitations for Sellers

## Examples:

- Only licensed entities may sell catalytic converters (e.g., auto recyclers)
- Establishes verification requirements for sellers
- Requires sellers to provide identifying documentation (e.g., ID, vehicle registration, part numbers)
- Prohibits sales between 9:00pm-6:00am





## **Model Legislation: VIN Etching Program\***

- Establishes a VIN Etching Grant Program to be carried out by a designated state agency
- Defines entities eligible to receive a VIN Etching Grant
- Prioritizes entities and locations with highest theft rates
- Establishes a fund for the VIN Etching Grant Program
  - Funding from enforcement actions

Questions?

