

AN ORDINANCE TO AMEND CHAPTER 36 OF THE CITY CODE TO REGULATE THE AFTER-MARKET SALE, PURCHASE, AND REPAIR OF AUTOMOBILE CATALYTIC CONVERTERS

#0247

Sponsor:

Council
Member
Oliver

WHEREAS, the Environmental Protection Agency has determined that the automotive catalytic converter is one of the most important environmental inventions in automotive industrial engineering; and

WHEREAS, the catalytic converter relies on a chemical reaction between the vehicle exhaust gases and a trio of precious metals where the heat and metals reduce up to 90% of the vehicle hazardous emissions; and

WHEREAS, the precious metals used in constructing catalytic converters are palladium, platinum, and rhodium; and

WHEREAS, the price and demand for these precious metals have increased significantly because of disruption in the supply chain and the decrease in production in the mines; and

WHEREAS, the National Insurance Crime Bureau, the nation's leading not-for-profit organization dedicated to combatting and preventing insurance crime, concluded in a 2020 study, that theft of catalytic converters has significantly increased as a direct result the increase value of the precious metals contained within; and

WHEREAS, in 2021, there were 176 catalytic converter thefts reported in the City of Wilmington; and

WHEREAS, there have been 139 catalytic converter thefts reported in the City of Wilmington so far in 2022; and

WHEREAS, other jurisdictions, like California and Maine, have enacted laws regarding the resale of catalytic converters due to an increase in thefts; and

WHEREAS, on April 28, 2022, Governor John Carney signed House Bill 296 into law, which modified 24 *Del. C.* § 2302 to require “every scrap metal processor [to] create a record and provide information regarding scrap metal acquired” from catalytic converters to combat the increased catalytic converter thefts statewide; and

WHEREAS, City Council agrees, consistent with several other jurisdictions, that the National Insurance Crime Bureau’s conclusion that the value of catalytic converters has contributed to the rise in crimes involving vehicle thefts, carjacking, and break-ins; and

WHEREAS, City Council believes House Bill 296 does not go far enough to curb catalytic converter theft and resale; and

WHEREAS, 24 *Del. C.* § 2309 allows local jurisdictions to “enact[] laws more restrictive than the provisions of this chapter, but such laws shall be in addition to, not in lieu of, the regulations set forth in this chapter.”

WHEREAS, City Council believes other businesses besides pawnbrokers and secondhand dealers which trade in catalytic converters and their parts should be regulated.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 36 of the City Code is hereby amended by creating a new Section 36-44, to read as follows:

Sec. 36-44. – Regulating after-market sale, purchase, and repair of Automobile Catalytic Converters

- a) No individual, automobile repair facility, junkyard, used automobile dealer, or used automotive parts dealer shall purchase catalytic converters from anyone who is not a licensed dealer unless they are first provided with a bill of sale for the catalytic converter, or it is attached the original automobile and a valid registration is provided by the owner.

- b) No individual, automobile repair facility, junkyard, used automobile dealer, or used automotive parts dealer shall sell, convey, or in any way transfer to any individual, person, company, or other entity a catalytic converter without providing a bill of sale which indicates its origin.
- c) No individual, automobile repair facility, junkyard, used automobile dealer, or used automotive parts dealer shall install a catalytic converter on any automobile without verifying its origin and is provided with proper documents that the catalytic converter was purchased or obtained by legal means.
- d) Any facility or individual that purchases, sells, repairs, or installs an after-market catalytic converter shall:
 - i. Where the facility or person purchases the catalytic converter, verify that the seller obtained the catalytic converter by legal means by requiring adequate documents which contains, serial number, a bill of sale, and/or ownership of the vehicle from which it was removed. All documents shall be retained and made available for inspection by the City's Department of Licenses and Inspections for 3 years following the date of the transaction.
 - ii. Where the facility or the person is installing and/or is conducting repairs to a catalytic converter, and it is not in factory shipping packaging, shall verify its origin and require proper ownership documents. All documents shall be retained and made available for inspection by the City's Department of Licenses and Inspections for 3 years following the date of the transaction.
 - iii. Where the person or facility sells a catalytic converter, such person or entity shall provide to the purchaser documents which verify that the catalytic converter was acquired by legal means. All documents shall be retained and made available for inspection by the City's Department of Licenses and Inspections for 3 years following the date of the transaction.

e) Penalties.

- i. A business that purchases a catalytic converter without proper documents shall be guilty of a violation and shall be punishable by a fine of not less than \$3,000.00, nor more than \$5,000.00.
- ii. Any person who purchases a catalytic converter without proper documents shall be guilty of a violation and punishable by a fine of not less than \$1000.00, nor more than \$3,000.00.
- iii. A repair facility which installs or repairs a catalytic converter without proper documents shall be guilty of a violation and punishable by a fine of not less than \$200, nor more than \$300.

SECTION 2. This Ordinance shall be deemed effective thirty (30) days after passage by City Council and signing by the Mayor.

First Reading.....November 17, 2022
Second Reading.....November 17, 2022
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2022.

Mayor

SYNOPSIS: This Ordinance prohibits the sale, purchase, repair, or installation of an after-market catalytic converter without proper documentation it was acquired by lawful means.

FISCAL IMPACT STATEMENT: This Ordinance has no anticipated fiscal impact.