

Testimony SB 2299
House Transportation Committee
March 7, 2023

Mr Chairman and members of the House Transportation Committee, my name is Molly Barnes and I am Executive Vice President & Equipment Manager at Northern Improvement Company. Northern Improvement is a 5th generation owned highway, heavy & municipal construction company with North Dakota offices in Fargo, Bismarck, and Dickinson. We have been in business since 1935 and are one of the founding members of the AGC of ND when it formed in 1951.

I appreciate the opportunity to testify today in support of SB 2299. We appreciate the Senators introducing this and the House considering implementing it.

A catalytic converter is part of modern vehicle exhaust systems. A catalytic converter uses precious metals to convert the hydrocarbons, carbon monoxide and nitrogen oxides produced within an internal combustion engine into less harmful carbon dioxide and water. Basically, it cleans up the emissions coming from the tailpipe of a vehicle.

Catalytic converter theft has been a continuing issue with our business. Our Fargo location has a fenced in yard, yet in the 2020 & 2021, we had 5 catalytic converters stolen off pickups. Our Bismarck location has had 11 catalytic converters stolen in the same time period. Our Dickinson location, also has a fenced yard and has had 6 stolen (one of them was a dualled up) in 2022. Catalytic converters range from \$1200 to \$3300 installed for our vehicles. If we take the low end of that dollar range, \$1200 * 22 catalytic converters stolen from us, that is over \$26,400. These are just the cost to install the converter. This does not include the labor cost to shuffle the vehicles to and from the dealership. Nor does it account for downtime waiting for the parts and being without the vehicle.

Why are catalytic converters sought after? Precious metals such as Platinum, Palladium and Rhodium. Platinum value is \$1058.17 per oz. Palladium is \$1650.50 per oz and Rhodium is \$20,250 per oz. Compare these metals to copper at \$0.27 per oz. For the thieves that stole from us, that is a \$13,000 payday. There is a YouTube video that shows two thieves jacking up

a car and stealing the converter in 60 seconds! This problem will not be fixed unless there are check and balances within the used parts industry.

According to the Fargo Forum, Between Nov 1, 2020 and March 31, 2021 there were reports of 130 stolen in the Red River Valley. In April of 2021 about 90 catalytic converters were stolen from West Fargo.

According to Fox Business, Chicago Police are recommend painting your catalytic converter a bright color, which we have begun to do. Reputable scrap yards won't buy converters if they are painted, as it indicates theft. According to this article published in August of 2022, catalytic converter thefts are up 1,215% from 2019.

<https://www.foxbusiness.com/lifestyle/toyota-subaru-honda-owners-beware-car-part-theft-epidemic-targeting-your-catalytic-converter>.

This is such a large problem across the United States, that US Rep Jim Baird, R-Indiana introduced a bill called "Preventing Auto Recycling Thefts Act" which would require auto makers to stamp the vin number into the converter. This bill coupled with SB2299 would make it easier for Police to match the converter to the title or registration provided at the scrap yard to determine if it was stolen.

Thanks for the opportunity to comment on SB 2299. We offer our support to this legislation and request the House Transportation Committee issue a Do Pass Recommendation. If you have any questions, I would be pleased to attempt to address them.