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To: New Jersey State Senate

From: Eric Blomgren, Chief Administrator & Director of Government Affairs of the New Jersey Gasoline, Convenience Store, Automotive, Association (NJGCA)

Re: SUPPORT S-249, "Implements certain guidelines concerning purchase of catalytic converters."

NJGCA represents hundreds of independent auto repair shops across this state, and it is on their behalf that we support this bill, which will help crack down on an epidemic of crime targeting our members and their customers.

Nationwide thefts of catalytic converters have skyrocketed over the last few years. In 2018 the National Insurance Crime Bureau recorded 1,298 thefts across the US, in 2020 it was 14,433, and in 2021 it was 52,206, with some estimating that total thefts in 2022 will be even higher.

Catalytic converters contain small amounts of the precious metals platinum, palladium, and rhodium, all of which have seen their value spike significantly (palladium is worth more than gold, rhodium is now worth more than seven times what gold is per ounce). These devices pull toxins out of the vehicle's emissions, which is particularly important in a state as dense as ours. A vehicle without a functioning catalytic converter not only pollutes significantly more, but it also cannot pass its biennial motor vehicle inspection. The cost to a motorist of replacing a sawed off catalytic converter can run over \$1,000, sometimes much more if the criminal was sloppy in their theft and damaged other vehicle components.

Part of the reason there has been such a sharp increase in thefts is that it can be a fairly simple crime to commit. Someone who knows what they are doing can sneak under the car, saw off the converter, and be back in their getaway car in under two minutes. The converters can then be taken to a recycler for cash. This bill will raise the amount of effort it will take to sell these devices (such as by having to transport them to another state without a law such as this), and in doing so I expect it will dissuade many criminals from viewing these thefts as a way to earn a quick buck.

Our members are also concerned about this increase in thefts for fear that their business and the customers' cars parked on their lots will be targeted as well. While I have not heard of this happening in New Jersey, there have been car dealerships and even lots of government-owned vehicles that have been targeted by thieves in other states.

We are particularly thankful to the sponsor for drafting legislation that will crack down on this very real problem without significantly complicating and burdening the lives of the state's independent auto repairers. The hundreds of small business owners in the auto repair trade are always struggling to keep their doors open in a competitive marketplace, and do so with only a handful of employees. A dramatic increase in paperwork requirements to perform basic repairs would hurt them just as they are still trying to recover from the declines in business they saw during the pandemic shutdowns. I do not expect it to be difficult for repairers to prove to recyclers that they are selling used converters on behalf of an authentic shop, for most of our members a recycler comes to the business to pick up parts directly from the shop, making it clear they are who they say they are.

Our members' repair shops are pillars of their community and pride themselves on looking out for the interests of the motoring public. The problem of catalytic converter thefts is clearly not going away on its own, but we are hopeful this legislation will make a serious impact in addressing it.

I ask that you support this legislation. Thank you.

