

House Criminal Justice Committee
Interested-Party Testimony on HB 408 – Sales of Catalytic Converters
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Chair LaRe, Vice Chair White, Ranking Member Leland, and members of the House Criminal Justice Committee, thank you for the opportunity to provide interested-party testimony on HB 408 regarding the sale of catalytic converters in Ohio. We are the presidents of the Ohio Valley and Northern Ohio Chapters of the Institute of Scrap Recycling Industries (ISRI). We represent over 115 member businesses across the state who process, broker and consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles. These businesses are an integral part of the manufacturing process, with the industry in Ohio supporting over 26,000 jobs and generating a total economic impact of \$6 billion. **ISRI members fully understand and appreciate the importance of cracking down on property theft, including the rise of catalytic convert theft, and we continue to partner with the state in helping to create and implement effective policies to address this theft in Ohio.**

In the early 2000s, ISRI partnered with law enforcement and the state to create a regulatory framework of scrap laws to help identify scrap metal thieves and bring them to justice. **Since implementation of the scrap laws, ISRI businesses have consistently complied with current law requirements**, spending thousands of dollars on equipment and staff costs that were not anticipated when the laws were created. Over the years since, **compliant scrap businesses have partnered with law enforcement to identify stolen property by reporting suspicious materials or responding to theft alerts.**

As useful as the data from our businesses has been, it became apparent that not all Ohio businesses comply with the scrap laws, whether out of ignorance or intent. Past enforcement efforts by the scrap division within the Department of Public Safety helped to increase businesses' knowledge of and compliance with the law. **These past enforcement efforts resulted in additional opportunities that assisted law enforcement in catching property thieves.**

However, over time the state's enforcement efforts have significantly dropped off. For the past several years, ISRI has advocated for greater enforcement of the state's scrap laws to create a level playing field whereby all businesses are held to the same standard and comply with Ohio law. This is necessary both for fighting property and catalytic converter theft, as well as the integrity of our business operations and the scrap and manufacturing market in Ohio.

The current scrap laws and any new scrap or catalytic converter laws, including HB 408, need to be enforced in order for the laws to be effective. After participating in multiple discussions and interested party meetings on HB 408, it is clear that **a collaborative approach to enforcement between the state, the Department of Public Safety, and local law enforcement is necessary for this legislation, as well as current scrap laws, to be effective.**

ISRI appreciates the effort of the Sponsor and the Committee to address the need for greater enforcement in the latest substitute bill. We defer to the state and local law enforcement to determine the best way to achieve effective enforcement, and we continue to advocate for any resources and/or statutory changes that they see as necessary to ensure effective enforcement. **Understanding that there is language in the current substitute bill to address enforcement issues, we urge the committee to work with the state and local law enforcement to determine the most appropriate language for inclusion in HB 408 that will ensure effective enforcement of the current scrap laws and the additional regulations included in the legislation.**

In addition to the current lack of enforcement, ISRI has general concerns about increasing regulations on law-abiding businesses and imposing additional administrative and financial burdens on the industry. **Given the lack of enforcement efforts over the past several years, any legislative or regulatory efforts to create additional regulatory hurdles for businesses will only result in harming businesses that comply with the law, while those who skirt the law will continue to do so without any consequence.** Our fear is that this will be the case with HB 408 in its effort to address catalytic converter theft; rather stopping criminals, without effective enforcement it will only serve to unjustly punish law abiding businesses.

In closing, we believe that the current scrap laws, if effectively enforced, are more than sufficient to address ongoing catalytic converter theft in Ohio. However, should the legislature determine that new scrap laws such as HB 408 would be helpful in addressing the theft of catalytic converters or other property, then **ISRI urges the committee to ensure that any new, additional regulations imposed on the industry, as well as current regulations, be effectively enforced to ensure**

a level playing field across the industry, and be cost neutral on our small businesses. For Ohio's scrap and catalytic converter policies to be effective, the legislation must make sure that those policies are enforced using a collaborative approach to enforcement.

Thank you for the opportunity to provide interested-party testimony on HB 408. We appreciate being able to provide input on this legislation and look forward to continuing to work with you.

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