

OPTIONS TO ADDRESS CATALYTIC CONVERTER THEFT

RECOMMENDATION

That Community and Public Services Committee recommend to City Council:

That the Mayor, on behalf of City Council and with input from the Edmonton Police Commission, write letters to the Government of Canada and the Government of Alberta to amend and strengthen existing legislation regulating the import and manufacture of vehicles, and the regulation of scrap metal dealers and recyclers.

Requested Council Action	Decision Required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Healthy City		
City Plan Values	LIVE THRIVE		
City Plan Big City Move(s)	Inclusive and Compassionate	Relationship to Council's Strategic Priorities	Mobility Network Community Safety and Well-Being
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Deliver Excellent Services to Our Community (Public Safety) Bylaw 20002 - Business Licence Bylaw 		
Related Council Discussions	N/A		

Executive Summary

- Catalytic converter thefts continue to increase in Edmonton, creating financial burdens for Edmontonians requiring replacements and repairs.

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- The theft and trade of stolen catalytic converters are illegal activities under the federal government's Criminal Code. The provincial government has also implemented legislation regulating the trade of used catalytic converters in an effort to reduce thefts.
- Administration has met with Edmonton Police Service (EPS) to identify the barriers they face in enforcing thefts and the illegal trade of catalytic converters. EPS identified that a lack of traceability and proof of ownership for unattached catalytic converters creates challenges for successful enforcement.
- Considering existing provincial and federal legislation - and the tools available through the City's various municipal bylaws and standards, Administration and EPS have jointly identified three options that may be considered to help deter the theft of catalytic converters:
 1. Joint City of Edmonton / Edmonton Police Commission Advocacy to Federal and Provincial Governments.
 2. EPS exploring voluntary etching programs in partnership with Mechanics and Dealerships.
 3. City Administration exploring the addition of deemed conditions to Business Licence Bylaw 20002 as part of an upcoming review of its strategic partnership with EPS.

REPORT

As highlighted by EPS¹, catalytic converter thefts continue to increase in Edmonton, with a 25 per cent increase in reported thefts from 2021 to 2022. In the first two weeks of 2023, there were 130 thefts reported citywide, nearly double the three-year average of 74 in the same time frame. In an EPS media release that ran on January 30, 2023 it states that: "It is estimated that the thefts last year cost Edmontonians nearly \$20 million (for replacements, repairs, and other related costs), which is up from previous years."² EPS indicated that the increasing number of thefts appear to follow the increasing value of precious metals on global markets, specifically the rhodium, palladium and platinum found within catalytic converters that can be sold and recycled for profit.

Under the *Criminal Code*, there are existing offences for the theft of a catalytic converter from a vehicle, possession of stolen property and the sale of stolen property. EPS officers have the authority to enforce these offences, but frequently face difficulty in proving an unattached catalytic converter is connected to an event of theft. This occurs as catalytic converters do not typically have identifying marks or vehicle identification numbers (VIN) that can be traced back to the vehicle it was removed from. Traceability is a major barrier in allowing EPS officers to use the criminal and provincial offences that already exist.

The Government of Alberta passed the *Protecting Alberta Industry from Theft Act* on November 1, 2020, which amended the existing *Scrap Metal Dealers and Recyclers Identification Act*. This legislation provides some measures to deter the theft and selling of catalytic converters by regulating the purchasers of these materials. This legislation requires all scrap metal dealers and

¹ <https://www.edmontonpolice.ca/News/SuccessStories/Catalytic>

² <https://www.edmontonpolice.ca/News/SuccessStories/Catalytic>

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recyclers to report transactions to purchase a used catalytic converter to law enforcement. It also requires all payments for these transactions to be made using traceable forms of currency, such as electronic transfers or cheques. Sellers must be over 18 years of age, and must provide the purchasing scrap metal dealer or recycler with proof of their government-issued photo ID. This information is then recorded in a central database within 24 hours of the transaction along with additional transaction information. Policing agencies, like the EPS have the authority to enforce these offences. Changes to the *Act* have created additional tools which can be utilized when investigating suspicious activity.

Recognizing these challenges, Administration and EPS identified options that could help address catalytic converter thefts.

OPTIONS

Option 1 - Advocacy to Federal and Provincial Governments

The Federal Government has jurisdiction over manufacturers and imports, which could allow them to create regulations requiring catalytic converters in new vehicles to be proactively etched with the VIN. The introduction of this regulation could help to enhance traceability and proof of ownership for all new vehicles, and address enforcement gaps identified by EPS. The Mayor, on behalf of Council, and with input from the Edmonton Police Commission, could send a letter to the Government of Canada requesting amendments to the appropriate Federal Acts and Regulations with etching required for any vehicles manufactured in, or imported into Canada.

The Provincial Government has the existing *Scrap Metal Dealers and Recyclers Identification Act* (2019), *Scrap Metal Dealers and Recyclers Regulation* (2020), and *Protecting Alberta Industry from Theft Act* (2020). Now that these Acts have been operational and in use for over two years, potential amendments could be made to strengthen these Acts and Regulations where gaps have been identified. These larger-scale amendments would help to reduce any displacement of crime from one jurisdiction to another, which can occur when a localized response is implemented for a broader issue. The Mayor, on behalf of Council, and with input from the Edmonton Police Commission, could send a letter to the Government of Alberta to explore opportunities for amendments to these Acts and Regulations to reduce the risk of catalytic converter theft.

Option 2 - EPS exploring voluntary etching programs with Mechanics and Dealerships

A number of jurisdictions created programs where a vehicle undergoing mechanical work is able to have the catalytic converter etched with a VIN. Programs operating in other jurisdictions include the provision of free etching services or discounts to incentivize vehicle owners to complete the etching to help to deter the theft of catalytic converters. Catalytic converters with VINs etched into them could either be cross referenced with reported incidents of theft, or could be assumed stolen if the VIN was filed off. EPS is exploring possible programs with local mechanics and dealerships. Administration was advised that there are other third party partnerships being advanced in Alberta. Such programs offer the opportunity to empower owners to better protect their own property - but may not be feasible to all vehicle owners due to potential issues with accessibility, cost and awareness.

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Option 3 - Explore options to add deemed conditions to the Business Licence Bylaw

Under Bylaw 20002 - Business Licence Bylaw, individuals and businesses who purchase, collect, receive, store or process used catalytic converters for resale require licensing as a Scrap Metal Dealer and Recycler. An amendment to the bylaw could be considered to impose additional deemed conditions similar to those under the Second Hand Dealer and Pawnbroker categories.

As the provincial legislation already imposes a number of conditions on these businesses, any municipal bylaw conditions would need to be intended to fill gaps and not duplicate other regulations. Some examples that might be explored include requiring an etched VIN on any catalytic converters accepted by a scrap metal dealer, requiring the tracking of the dollar value of sales for catalytic converters and increasing fines for non compliance. Further work with EPS is required to determine what deemed conditions, if any, would be both helpful in reducing theft and actionable by EPS in their investigations and enforcement, and what resourcing from EPS is available for enforcement if conditions were added.

Administration will be initiating a Strategic Partnership Review with EPS in Q3 2023 to determine potential regulatory changes for the Business Licence Bylaw. Potential regulatory options for catalytic converters will be considered as part of that larger project.

COMMUNITY INSIGHT

The City of Edmonton is working closely with the EPS to identify solutions which prevent and respond to catalytic converter thefts. Both organizations have heard that catalytic converter thefts have financial and time impacts for those impacted. As Administration advances Option 1 for Council's consideration, EPS will continue to explore Option 2. Option 3, led by Administration, may require some public and stakeholder engagement to ensure that implementation is effective and meets the needs of impacted community and industry stakeholders. Should Option 3 proceed as part of the already planned Strategic Partnership Review in third quarter 2023, Administration will determine the scope of engagement required to complete work associated with this option. Should Option 3 be advanced separately and outside of the Strategic Partnership Review, additional resourcing and funding will be required, contingent on the scope and level of engagement needed.

GBA+

Catalytic converter thefts affect both individual and corporate vehicle owners. Theft may have a disproportionate impact on small business owners, those without access to secure vehicle storage, or those unable to bear the cost to repair or replace a disabled vehicle. Temporary loss of use of a vehicle can affect the livelihood of individuals who rely on those vehicles as transportation for work purposes, and may further affect the quality of life for those who rely on a vehicle for independence and mobility.

A GBA+ approach will be used to help inform the development of any action or recommendations under Option 3, including any research and engagement work that may be needed.

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Examples include the addition of measures to ensure equity in accessing etching services, or identifying and mitigating any disproportionate impacts on scrap metal dealer or recycler businesses.