

NEW YORK CITY POLICE DEPARTMENT

Notice of Public Hearing and Opportunity to Comment on Amendment of Rules

What are we proposing? The New York City Police Department (“NYPD”) is proposing to update the Department’s rule requiring electronic recordkeeping for purchases and second-hand sales of certain goods, and the uploading of such records to a web-based electronic data transfer service. On December 22, 2022, Local Law 123 of 2022 became law, which adds the purchase of catalytic converters to the list of second-hand goods subject to these requirements under Title 38, Chapter 21, Section 21-04 of the Rules of the City of New York.

When and where is the Hearing? The NYPD will hold a public hearing on the proposed rules online. The public hearing will take place at 10:00 am on June 16, 2023.

- Join On-Line

Join ZoomGov Meeting

<https://www.zoomgov.com/j/1605710079?pwd=VEh1bHhVSzA5NTlQQ3d4S0NjU0hKZz09>

Meeting ID: 160 571 0079

Passcode: 6ii0Pv#\$

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Passcode: 54282077

How do I comment on the proposed amendments? Anyone can comment by:

- **Website.** You can submit comments to the NYPD through the NYC rules Website at rules.cityofnewyork.us.
- **Email.** You can email written comments to the NYPD at nycrules@nypd.org.
- **Mail.** You can mail written comments to the NYPD Legal Bureau at One Police Plaza, Room 1406, New York, NY 10038 c/o Agency Attorney Matthew Besse.
- **Fax.** You can fax written comments to the NYPD at 646-610-8428.

- **By Speaking at the Hearing.** Anyone who wants to comment on the proposed rules at the public hearing must sign up to speak. You can sign up before the hearing by calling 646-610-5400 and asking for Matthew Besse or by emailing nycrules@nypd.org by June 15, 2023, and including your name and affiliation. While you will be given the opportunity during the hearing to indicate that you would like to provide comments, we prefer that you sign up in advance. You can speak for up to three minutes.

Is there a deadline for submitting written comments? Yes, you must submit written comments by June 15, 2023.

What if I need assistance to participate in the Hearing? Advanced notice is requested if you need a reasonable accommodation of a disability to allow sufficient time to arrange the accommodation. You may contact us by telephone at 646-610-5400 and asking for Matthew Besse or by emailing nycrules@nypd.org. Please contact us by June 8, 2023.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at rules.cityofnewyork.us. After the hearing, copies of all comments submitted online, copies of all written comments, and a summary of oral comments concerning the proposed rule will be available to the public, upon request.

What authorizes the NYPD to amend these rules? Sections 389(b) and 1043 of the City Charter authorize the NYPD to amend these rules. Local Law 123 of 2022, codified at § 20-268.7 of the Administrative Code of the City of New York, requires dealers in second-hand articles to maintain electronic records of purchase for catalytic converters, and authorizes the police commissioner to specify the manner in which such records are maintained. This proposed rules amendment was not included in the NYPD's regulatory agenda because the NYPD did not publish a regulatory agenda for Fiscal Year 2023.

Where can I find NYPD's rules? The NYPD's rules are found in Title 38 of the Rules of the City of New York.

What laws govern the rulemaking process? The NYPD must meet the requirements of section 1043 of the New York City Charter when creating, changing rules or repealing rules. This notice is made in accordance with the requirements of section 1043 of the New York City Charter.

STATEMENT OF BASIS AND PURPOSE OF PROPOSED RULES

Under Chapter 21 of Title 34 of the Rules of the City of New York, dealers in second-hand articles are required to create electronic records of certain transactions and to upload said records to a web-based electronic data transfer service. The purchase of automobile catalytic converters is not covered by this requirement.

Catalytic converters contain amounts of three precious metals, rhodium, palladium and platinum. In recent years, the values of each of these metals has sharply increased to as much as \$29,800 for rhodium, \$3,440 for palladium, and \$1,300 for platinum per ounce. Thefts of catalytic converters involve an individual going under the vehicle and simply using power tools to cut away the relevant portion of the exhaust system. This entire process is completed in minutes, or sometimes under a minute. Because of the rise of the values of these metals, there has been a corresponding increase in catalytic converter thefts. In 2018, there were 1,298 reported thefts of catalytic converters in the United States. In 2019, there were 3,389. In 2020, the number jumped to 14,433, and in 2021, there were more than 52,000 such thefts. That is more than a 3,900% increase nationwide between 2018 and 2021. In New York City, in 2018, 198 catalytic converters were stolen, in 2019 it was 211, in 2020 it was 802, in 2021 it was 3,705, and in 2022 it was 8,576, a 4,231% increase from 2018. Some individuals who steal the catalytic converters may then attempt to sell them to second-hand dealers.

The growth in catalytic converter thefts led the New York City Council to enact Local Law 123 of 2022, codified at § 20-268.7 of the Administrative Code of the City of New York, which requires second-hand dealers to maintain and upload such electronic records for transactions involving second-hand catalytic converters. This proposed rule change involving the addition of the purchase of catalytic converters among those second-hand goods that are covered by the recordkeeping requirement is necessary to conform with Local Law 123 of 2022. Such recordkeeping would discourage the purchase of stolen catalytic converters and would assist the NYPD in conducting investigations related to such thefts.

New material is underlined.

[Deleted material is in brackets.]

* * * indicates omitted text.

“Shall” and “must” denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Subdivision b of section 21-04 of chapter 21 of title 38 of the rules of the city of New York is amended to read as follows:

* * *

(b) Second-hand dealers subject to electronic recordkeeping requirements must create and upload electronic records of transactions involving (i) the purchase or sale of any second-hand manufactured article composed wholly or in part of gold, silver, platinum, or other precious metals; (ii) the purchase or sale of any old gold, silver, platinum or other precious metals, (iii) the purchase

of articles or things comprised of gold, silver, platinum or other precious metals for the purpose of melting or refining, (iv) the purchase or sale of used electrical appliances excluding kitchen appliances; (v) the purchase or sale of any used electronic equipment, computers or component parts of electronic equipment or computers; [or] (vi) the purchase of catalytic converters; or (vii) the purchase or sale of pawnbroker tickets or other evidence of pledged articles, or the redemption or sale of pledged articles, where the second-hand dealer is not a pawnbroker.

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Electronic Record Keeping for Purchase and Sale of Second Hand Catalytic Converters

REFERENCE NUMBER: 2023 RG 013

RULEMAKING AGENCY: New York City Police Department

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN

Date: April 26, 2023

Senior Counsel

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Electronic Record Keeping for Purchase and Sale of Second Hand Catalytic Converters

REFERENCE NUMBER: NYPD-17

RULEMAKING AGENCY: New York Police Department

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

April 26, 2023
Date