

BILL ANALYSIS

C.S.H.B. 1871
By: Giddings
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently in Texas, there are no laws regulating the resale of plastic bulk merchandise containers to a person or business that recycles, shreds, or destroys these types of containers. Because of the lack of regulation, these types of containers are left open to theft and cost companies that use these types of containers in the transport of their products large amounts of money each year. C.S.H.B. 1871 requires a person who is in the business of recycling, shredding, or destroying plastic bulk merchandise containers to obtain from the seller proof of ownership for the containers and a record of identifying information of the seller.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1871 amends the Business and Commerce Code by requiring a person who is in the business of recycling, shredding, or destroying plastic bulk merchandise containers (plastic containers), before purchasing five or more plastic containers from the same person, to obtain from that person proof of ownership for the containers and a record from that person. The bill sets forth what information is required to be in the record from the person selling the plastic containers. The bill requires a person who is in the business of recycling, shredding, or destroying plastic containers to verify the identity of the individual selling the containers or representing the seller from a driver's license or other government-issued identification card that includes the individual's photograph, and record the verification. The bill requires the person who is in the business of recycling, shredding, or destroying plastic containers to retain the record obtained or made under the provisions of this bill until the first anniversary of the later of the date the containers are purchased or delivered. The bill provides that a person who violates the above provisions is liable to the state for a civil penalty of \$10,000 for each violation. The bill prohibits a person who is in the business of recycling, shredding, or destroying plastic bulk merchandise containers from using an artifice to avoid application of the provisions of this bill, including documenting purchases from the same person on the same day as multiple transactions and provides that a person who violates this provision is liable to the state for a civil penalty of \$30,000 for each violation. The bill authorizes the attorney general or appropriate prosecuting attorney to sue to collect a civil penalty under the provisions of this bill. The bill defines the terms "plastic bulk merchandise container" and "proof of ownership."

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original by providing that a person who violates the provisions of the bill is liable to the state for a civil penalty of \$10,000 for each violation, rather than a violation being a Class C misdemeanor. The substitute adds the provision that a person who is in the business of recycling, shredding, or destroying plastic bulk merchandise containers is prohibited from using an artifice to avoid application of the provisions of this bill, including documenting purchases from the same person on the same day as multiple transactions, and provides that a person who violates this provision is liable to the state for a civil penalty of

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\$30,000 for each violation. The substitute adds that the attorney general or appropriate prosecuting attorney is authorized to sue to collect a civil penalty under the provisions of this bill.