

AN ACT

relating to the regulation of metal recycling; increasing a criminal penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1956.001, Occupations Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Catalytic converter" includes any material removed from a catalytic converter.

SECTION 2. Subchapter A-3, Chapter 1956, Occupations Code, is amended by adding Section 1956.0321 to read as follows:

Sec. 1956.0321. ADDITIONAL REQUIREMENTS REGARDING PURCHASE OF CATALYTIC CONVERTER. (a) In addition to the requirements of Section 1956.032, a person attempting to sell a catalytic converter to a metal recycling entity shall provide to the metal recycling entity:

(1) the year, make, model, and vehicle identification number for the vehicle from which the catalytic converter was removed; and

(2) a copy of the certificate of title or other documentation indicating that the person has an ownership interest in the vehicle described by Subdivision (1).

(b) A metal recycling entity may not purchase a catalytic converter from a seller who does not comply with the requirements of Subsection (a).

1 (c) A metal recycling entity may not purchase a catalytic
2 converter unless the entity determines that the catalytic converter
3 is consistent with the manufacturer's specifications for a
4 catalytic converter from the vehicle for which the seller provided
5 information under Subsection (a)(1).

6 (d) A metal recycling entity shall mark, in the manner
7 prescribed by the commission by rule, each catalytic converter
8 purchased by the entity with a unique number.

9 (e) A metal recycling entity shall keep an accurate
10 electronic record or an accurate and legible written record of each
11 purchase of a catalytic converter made in the course of the entity's
12 business. The record must be in English and include:

13 (1) the information required by Section [1956.033](#);

14 (2) the vehicle information provided under Subsection
15 (a)(1);

16 (3) a copy of the documentation described by
17 Subsection (a)(2); and

18 (4) the unique number marked on the catalytic
19 converter under Subsection (d).

20 SECTION 3. Section [1956.033](#)(b), Occupations Code, is
21 amended to read as follows:

22 (b) The record must be in English and include:

23 (1) the place, date, and amount of the purchase;

24 (2) the name and address of the seller in possession of
25 the regulated material purchased;

26 (3) the identifying number of the seller's personal
27 identification document;

1 (4) a description made in accordance with the custom
2 of the trade of the commodity type and quantity of regulated
3 material purchased;

4 (5) the information required by Sections
5 [1956.032](#)(a)(2) and (3);

6 (6) as applicable:

7 (A) the identifying number of the seller's air
8 conditioning and refrigeration contractor license displayed under
9 Section [1956.032](#)(a)(4)(A);

10 (B) a copy of the seller's air conditioning and
11 refrigeration technician registration displayed under Section
12 [1956.032](#)(a)(4)(B);

13 (C) a copy of the documentation described by
14 Section [1956.032](#)(a)(4)(C); or

15 (D) a copy of the documentation described by
16 Section [1956.032](#)(a)(4)(D);

17 (7) if applicable, a copy of the documentation
18 described by Section [1956.032](#)(a)(5);

19 (8) a copy of the documentation described by Section
20 [1956.032](#)(g); ~~and~~

21 (9) a copy of the documentation described by Section
22 [1956.0381](#)(b); and

23 (10) if the regulated material purchased is a
24 catalytic converter, a clear and legible thumbprint of the seller
25 unless the seller presents to the metal recycling entity a valid
26 cash transaction card issued under Section [1956.0382](#).

27 SECTION 4. Section [1956.034](#), Occupations Code, is amended

1 to read as follows:

2 Sec. 1956.034. PRESERVATION OF RECORDS. A metal recycling
3 entity shall preserve each record required by Sections 1956.032,
4 1956.0321, and 1956.033 until the second anniversary of the date
5 the record was made. The records must be kept in an easily
6 retrievable format and must be available for inspection as provided
7 by Section 1956.035 not later than 72 hours after the time of
8 purchase.

9 SECTION 5. Section 1956.035(a), Occupations Code, is
10 amended to read as follows:

11 (a) On request, a metal recycling entity shall permit a
12 peace officer of this state, a representative of the department, or
13 a representative of a county, municipality, or other political
14 subdivision that issues a license or permit under Section
15 1956.003(b) to inspect, during the entity's usual business hours:

16 (1) a record required by Section 1956.0321 or
17 1956.033;

18 (2) a digital photograph or video recording required
19 by Section 1956.0331;

20 (3) regulated material in the entity's possession; or

21 (4) an application for a cash transaction card
22 submitted to the entity.

23 SECTION 6. Section 1956.036(a), Occupations Code, is
24 amended to read as follows:

25 (a) Except as provided by Subsections (b) and (d), not later
26 than the close of business on a metal recycling entity's second
27 working day after the date of the purchase or other acquisition of

1 material for which a record is required under Section 1956.0321 or
2 1956.033, the entity shall send an electronic transaction report to
3 the department via the department's Internet website. Except as
4 provided by Subsection (d-1), the report must contain the
5 information required to be recorded under Sections 1956.0321 and
6 ~~[Section]~~ 1956.033.

7 SECTION 7. Section 1956.037(a), Occupations Code, is
8 amended to read as follows:

9 (a) A metal recycling entity may not dispose of, process,
10 sell, or remove from the premises an item of regulated metal unless:

11 (1) the entity acquired the item more than:

12 (A) eight days, excluding weekends and holidays,
13 before the disposal, processing, sale, or removal, if the item is a
14 cemetery vase, receptacle, or memorial made from a regulated
15 material other than aluminum material;

16 (B) five days, excluding weekends and holidays,
17 before the disposal, processing, sale, or removal, if the item is a
18 catalytic converter; or

19 (C) [~~(B)~~] 72 hours, excluding weekends and
20 holidays, before the disposal, processing, sale, or removal, if the
21 item is not an item described by Paragraph (A) or (B); or

22 (2) the entity purchased the item from a
23 manufacturing, industrial, commercial, retail, or other seller
24 that sells regulated material in the ordinary course of its
25 business.

26 SECTION 8. Section 1956.040, Occupations Code, is amended
27 by amending Subsections (a) and (b-1) and adding Subsection (b-2)

1 to read as follows:

2 (a) A person commits an offense if the person knowingly
3 violates Section 1956.038. Except as otherwise provided by this
4 subsection, an [An] offense under this subsection is a Class A
5 misdemeanor unless it is shown on trial of the offense that the
6 person has previously been convicted of a violation of this
7 subchapter, in which event the offense is a state jail felony. An
8 offense under this subsection involving a catalytic converter is a
9 state jail felony unless it is shown on trial of the offense that
10 the person has previously been convicted of a violation of this
11 subchapter involving a catalytic converter, in which event the
12 offense is a felony of the third degree.

13 (b-1) Except as otherwise provided by Subsection (b-2), an
14 [An] offense under Subsection (b) is a Class A misdemeanor unless it
15 is shown on trial of the offense that the person has previously been
16 convicted under Subsection (b), in which event the offense is a
17 state jail felony.

18 (b-2) An offense under Subsection (b)(1) in which the
19 regulated material purchased was a catalytic converter is a state
20 jail felony unless it is shown on trial of the offense that the
21 person has previously been convicted of an offense under Subsection
22 (b)(1) in which the regulated material purchased was a catalytic
23 converter, in which event the offense is a felony of the third
24 degree.

25 SECTION 9. Subchapter A, Chapter 2305, Occupations Code, is
26 amended by adding Section 2305.0051 to read as follows:

27 Sec. 2305.0051. RECORDS RELATED TO CATALYTIC CONVERTERS.

1 (a) The owner of a garage or repair shop that sells to a metal
2 recycling entity registered under Chapter 1956 a catalytic
3 converter that the person removed in connection with a motor
4 vehicle repair shall maintain a record of all repairs for the
5 vehicle that includes:

6 (1) the name and address of the vehicle's owner; and

7 (2) copies of all related invoices.

8 (b) Notwithstanding Section 2305.006(a), a record required
9 by this section shall be kept until at least the second anniversary
10 of the date of the repair.

11 SECTION 10. The change in law made by this Act applies only
12 to an offense committed on or after the effective date of this Act.
13 An offense committed before the effective date of this Act is
14 governed by the law in effect on the date the offense was committed,
15 and the former law is continued in effect for that purpose. For
16 purposes of this section, an offense was committed before the
17 effective date of this Act if any element of the offense occurred
18 before that date.

19 SECTION 11. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 4110 was passed by the House on May 14, 2021, by the following vote: Yeas 116, Nays 28, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4110 on May 28, 2021, by the following vote: Yeas 118, Nays 27, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4110 was passed by the Senate, with amendments, on May 25, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor