

# SENATE AMENDMENTS

## 2<sup>nd</sup> Printing

By: Leach, Harless, Morales of Maverick,  
et al.

H.B. No. 4110

A BILL TO BE ENTITLED

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. 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).

(c) A metal recycling entity may not purchase a catalytic  
converter unless the entity determines that the catalytic converter  
is consistent with the manufacturer's specifications for a  
catalytic converter from the vehicle for which the seller provided

1 information under Subsection (a)(1).

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

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

9 (1) the information required by Section 1956.033;

10 (2) the vehicle information provided under Subsection  
11 (a)(1);

12 (3) a copy of the documentation described by  
13 Subsection (a)(2); and

14 (4) the unique number marked on the catalytic  
15 converter under Subsection (d).

16 SECTION 2. Section 1956.033(b), Occupations Code, is  
17 amended to read as follows:

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

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

20 (2) the name and address of the seller in possession of  
21 the regulated material purchased;

22 (3) the identifying number of the seller's personal  
23 identification document;

24 (4) a description made in accordance with the custom  
25 of the trade of the commodity type and quantity of regulated  
26 material purchased;

27 (5) the information required by Sections

1 1956.032(a)(2) and (3);

2 (6) as applicable:

3 (A) the identifying number of the seller's air  
4 conditioning and refrigeration contractor license displayed under  
5 Section 1956.032(a)(4)(A);

6 (B) a copy of the seller's air conditioning and  
7 refrigeration technician registration displayed under Section  
8 1956.032(a)(4)(B);

9 (C) a copy of the documentation described by  
10 Section 1956.032(a)(4)(C); or

11 (D) a copy of the documentation described by  
12 Section 1956.032(a)(4)(D);

13 (7) if applicable, a copy of the documentation  
14 described by Section 1956.032(a)(5);

15 (8) a copy of the documentation described by Section  
16 1956.032(g); ~~and~~

17 (9) a copy of the documentation described by Section  
18 1956.0381(b); and

19 (10) a clear and legible thumbprint of the seller.

20 SECTION 3. Section 1956.0331, Occupations Code, is amended  
21 by adding Subsection (a-1) to read as follows:

22 (a-1) If the regulated metal purchased is a catalytic  
23 converter, the photograph or recording under Subsection (a) must  
24 accurately depict:

25 (1) each open end of the catalytic converter; and

26 (2) all sides of the catalytic converter.

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 1956.0381, Occupations Code, is amended  
27 by adding Subsection (c) to read as follows:

1        (c) Notwithstanding Subsection (a), a metal recycling  
2 entity may not pay a seller more than \$25 in cash for a purchase of  
3 regulated metal.

4        SECTION 9. Sections 1956.040(a) and (b-1), Occupations  
5 Code, are amended to read as follows:

6        (a) A person commits an offense if the person knowingly  
7 violates Section 1956.038. An offense under this subsection is a  
8 state jail felony [~~Class A misdemeanor~~] unless it is shown on trial  
9 of the offense that the person has previously been convicted of a  
10 violation of this subchapter, in which event the offense is a [~~state~~  
11 ~~jail~~] felony of the third degree.

12        (b-1) An offense under Subsection (b) is a state jail felony  
13 [~~Class A misdemeanor~~] unless it is shown on trial of the offense  
14 that the person has previously been convicted under Subsection (b),  
15 in which event the offense is a felony of the third degree [~~state~~  
16 ~~jail felony~~].

17        SECTION 10. Subchapter A, Chapter 2305, Occupations Code,  
18 is amended by adding Section 2305.0051 to read as follows:

19        Sec. 2305.0051. RECORDS RELATED TO CATALYTIC CONVERTERS.

20        (a) The owner of a garage or repair shop that sells to a metal  
21 recycling entity registered under Chapter 1956 a catalytic  
22 converter that the person removed in connection with a motor  
23 vehicle repair shall maintain a record of all repairs for the  
24 vehicle that includes:

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

26                (2) copies of all related invoices.

27        (b) Notwithstanding Section 2305.006(a), a record required

1 by this section shall be kept until at least the second anniversary  
2 of the date of the repair.

3           SECTION 11. The change in law made by this Act applies only  
4 to an offense committed on or after the effective date of this Act.  
5 An offense committed before the effective date of this Act is  
6 governed by the law in effect on the date the offense was committed,  
7 and the former law is continued in effect for that purpose. For  
8 purposes of this section, an offense was committed before the  
9 effective date of this Act if any element of the offense occurred  
10 before that date.

11           SECTION 12. This Act takes effect September 1, 2021.

ADOPTED

MAY 25 2021

*Lacey Spaw*  
Secretary of the Senate

By:

*Carl Allen*

.B. No. 4110

Substitute the following for H.B. No. 4110:

By:

~~Leach~~

*Carl Allen*

C.S. H.B. No. 4110

A BILL TO BE ENTITLED

1

AN ACT

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

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

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

7 (2-a) "Catalytic converter" includes any material removed  
8 from a catalytic converter.

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

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

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

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

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



1       (c) A metal recycling entity may not purchase a catalytic  
2 converter unless the entity determines that the catalytic  
3 converter is consistent with the manufacturer's specifications for  
4 a catalytic converter from the vehicle for which the seller  
5 provided 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  
11 each purchase of a catalytic converter made in the course of the  
12 entity's 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 Subsection  
17 (a)(2); and

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

20       SECTION 3. Section 1956.033(b), Occupations Code, is amended  
21 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 of  
2 the trade of the commodity type and quantity of regulated material  
3 purchased;

4 (5) the information required by Sections 1956.032(a)(2)  
5 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 catalytic  
24 converter, a clear and legible thumbprint of the seller unless the  
25 seller presents to the metal recycling entity a valid cash  
26 transaction card issued under Section 1956.0382.

27 SECTION 4. Section 1956.034, Occupations Code, is amended to

1 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 amended  
10 to read as follows:

11       (a) On request, a metal recycling entity shall permit a peace  
12 officer of this state, a representative of the department, or a  
13 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 1956.033;

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

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

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

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

24       (a) Except as provided by Subsections (b) and (d), not later  
25 than the close of business on a metal recycling entity's second  
26 working day after the date of the purchase or other acquisition of  
27 material for which a record is required under Section 1956.0321 or

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

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

8 (a) A metal recycling entity may not dispose of, process,  
9 sell, or remove from the premises an item of regulated metal  
10 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  
14 a 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  
18 a catalytic converter; or

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

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

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

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

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

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

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

26 Sec. 2305.0051. RECORDS RELATED TO CATALYTIC CONVERTERS.

27 (a) The owner of a garage or repair shop that sells to a metal

1 recycling entity registered under Chapter 1956 a catalytic  
2 converter that the person removed in connection with a motor  
3 vehicle repair shall maintain a record of all repairs for the  
4 vehicle that includes:

- 5           (1) the name and address of the vehicle's owner; and  
6           (2) copies of all related invoices.

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

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

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

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 27, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (Relating to the regulation of metal recycling; increasing a criminal penalty.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, metal recycling entities would be required to maintain and submit certain records to the Department of Public Safety. Metal recycling entities and individuals who knowingly engage in violations of the bill's provisions regarding the sale or purchase of a catalytic converter would commit a state jail felony or, in the event of previous convictions, a third-degree felony.

It is assumed the costs to the Department of Public Safety associated with implementing the bill's provisions could be absorbed using existing resources. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources.

**Local Government Impact**

The bill could reduce Class A misdemeanors. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Lost revenue from reduced fines imposed and collected is not anticipated to have a significant fiscal impact.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JMc, CMA, AJL, LM, DGI, DKN, AF

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 22, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (relating to the regulation of metal recycling; increasing a criminal penalty.),  
**Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, metal recycling entities would be required to maintain and submit certain records to the Department of Public Safety. Metal recycling entities and individuals who knowingly engage in violations of the bill's provisions regarding the sale or purchase of a catalytic converter would commit a state jail felony or, in the event of previous convictions, a third-degree felony.

It is assumed the costs to the Department of Public Safety associated with implementing the bill's provisions could be absorbed using existing resources. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources.

**Local Government Impact**

The bill could reduce Class A misdemeanors. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Lost revenue from reduced fines imposed and collected is not anticipated to have a significant fiscal impact.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JMc, AJL, LM, DGI, CMA, DKN, AF



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 19, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (Relating to the regulation of metal recycling; increasing a criminal penalty.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, metal recycling entities would be required to maintain and submit certain records to the Department of Public Safety. Metal recycling entities who knowingly engaging in violations of the bill's provisions would commit a state jail felony or, in the event of previous convictions, a third-degree felony.

It is assumed the costs to the Department of Public Safety associated with implementing the bill's provisions could be absorbed using existing resources. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources.

**Local Government Impact**

The bill would repeal a Class A misdemeanor. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Lost revenue from reduced fines imposed and collected is not anticipated to have a significant fiscal impact.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JMc, AJL, LM, DGI, DKN, AF

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 14, 2021**

**TO:** Honorable James White, Chair, House Committee on Homeland Security & Public Safety

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (Relating to the regulation of metal recycling; increasing a criminal penalty.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, metal recycling entities would be required to maintain and submit certain records to the Department of Public Safety. Metal recycling entities who knowingly engaging in violations of the bill's provisions would commit a state jail felony or, in the event of previous convictions, a third-degree felony.

It is assumed the costs to the Department of Public Safety associated with implementing the bill's provisions could be absorbed using existing resources. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on the demand for state correctional resources.

**Local Government Impact**

The bill would repeal a Class A misdemeanor. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Lost revenue from reduced fines imposed and collected is not anticipated to have a significant fiscal impact.

**Source Agencies:** 405 Department of Public Safety

**LBB Staff:** JMc, DKN, LM, AF, DGI

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**CRIMINAL JUSTICE IMPACT STATEMENT  
87TH LEGISLATIVE REGULAR SESSION**

**May 22, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (relating to the regulation of metal recycling; increasing a criminal penalty.),  
**Committee Report 2nd House, Substituted**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Occupations Code as it relates to the regulation of metal recycling. Under the provisions of the bill, the unlawful sale of a catalytic converter to a metal recycling entity, or the unlawful purchase of a catalytic converter by a recycling entity, would be punishable as a state jail felony or, in the event of previous convictions for the offense, as a third degree felony. Under existing statute, these offenses are punishable as a Class A misdemeanor or, in the event of previous convictions for the offense, as a state jail felony.

A third degree felony is punishable by confinement in prison for a term from 2 to 10 years, and a state jail felony is punishable by confinement in a state jail for a term from 180 days to 2 years or Class A misdemeanor punishment. In addition to confinement, most felonies can be subject to an optional fine not to exceed \$10,000. A Class A misdemeanor is punishable by confinement in county jail for a term not to exceed one year and, in addition to confinement, an optional fine not to exceed \$4,000.

Increasing the penalty for an offense is expected to result in additional demands upon the correctional resources of counties or of the State due to an increase in the number of individuals placed under supervision in the community or sentenced to a term of confinement within state correctional institutions. From fiscal year 2018 to 2020, ten people were arrested, fewer than ten were placed under direct community supervision, and fewer than ten were admitted into a state correctional institution for the unlawful sale or purchase of certain regulated materials offenses under existing statute. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on state correctional populations or on the demand for state correctional resources.

**Source**

**Agencies:**

**LBB Staff:** JMc, AJL, LM, DGI, DKN

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**CRIMINAL JUSTICE IMPACT STATEMENT**  
**87TH LEGISLATIVE REGULAR SESSION**

**May 19, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (Relating to the regulation of metal recycling; increasing a criminal penalty.), **As Engrossed**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Occupations Code as it relates to the regulation of metal recycling. Under the provisions of the bill, the unlawful sale of regulated materials to a metal recycling entity, or the unlawful purchase of such materials by a recycling entity, would be punishable as a state jail felony or, in the event of previous convictions for the offense, as a third-degree felony. Under existing statute, these offenses are punishable as a Class A misdemeanor or, in the event of previous convictions for the offense, as a state jail felony.

A third degree felony is punishable by confinement in prison for a term from 2 to 10 years, and a state jail felony is punishable by confinement in a state jail for a term from 180 days to 2 years or Class A misdemeanor punishment. In addition to confinement, most felonies can be subject to an optional fine not to exceed \$10,000. A Class A misdemeanor is punishable by confinement in county jail for a term not to exceed one year and, in addition to confinement, an optional fine not to exceed \$4,000.

Increasing the penalty for an offense is expected to result in additional demands upon the correctional resources of counties or of the State due to an increase in the number of individuals placed under supervision in the community or sentenced to a term of confinement within state correctional institutions. From fiscal year 2018 to 2020, 10 people were arrested, fewer than 10 were placed under direct community supervision, and fewer than 10 were admitted into a state correctional institution for the unlawful sale or purchase of certain regulated materials offenses under existing statute. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on state correctional populations or on the demand for state correctional resources.

**Source**

**Agencies:**

**LBB Staff:** JMc, AJL, LM, DGI, DKN

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**CRIMINAL JUSTICE IMPACT STATEMENT**

**87TH LEGISLATIVE REGULAR SESSION**

**April 14, 2021**

**TO:** Honorable James White, Chair, House Committee on Homeland Security & Public Safety

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4110** by Leach (Relating to the regulation of metal recycling; increasing a criminal penalty.), **As Introduced**

The provisions of the bill addressing felony sanctions are the subject of this analysis. The bill would amend the Occupations Code as it relates to metal recycling entities. Under the provisions of the bill, the unlawful sale of regulated materials to a metal recycling entity, or the unlawful purchase of such materials by a recycling entity, would be punishable as a state jail felony or, in the event of previous convictions for the offense, as a third-degree felony. Under existing statute, these offenses are punishable as a Class A misdemeanor or, in the event of previous convictions for the offense, as a state jail felony.

A third degree felony is punishable by confinement in prison for a term from 2 to 10 years, and a state jail felony is punishable by confinement in a state jail for a term from 180 days to 2 years or Class A misdemeanor punishment. In addition to confinement, most felonies can be subject to an optional fine not to exceed \$10,000. A Class A misdemeanor is punishable by confinement in county jail for a term not to exceed one year and, in addition to confinement, an optional fine not to exceed \$4,000.

Increasing the penalty for an offense is expected to result in additional demands upon the correctional resources of counties or of the State due to an increase in the number of individuals placed under supervision in the community or sentenced to a term of confinement within state correctional institutions. From fiscal year 2018 to 2020, 10 people were arrested, fewer than 10 were placed under direct community supervision, and fewer than 10 were admitted into a state correctional institution for the unlawful sale or purchase of certain regulated materials offenses under existing statute. This analysis assumes implementing the provisions of the bill addressing felony sanctions would not result in a significant impact on state correctional populations or on the demand for state correctional resources.

**Source**

**Agencies:**

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