

By: Leach

H.B. No. 4598

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to catalytic converters, including criminal conduct  
3 involving catalytic converters; providing an administrative  
4 penalty; creating a criminal offense; increasing a criminal  
5 penalty; increasing a fee.

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

7 ARTICLE 1. TITLE

8 SECTION 1.01. This Act may be cited as the Deputy Darren  
9 Almendarez Act.

10 ARTICLE 2. CRIMINAL OFFENSES

11 SECTION 2.01. Section 28.03(b), Penal Code, is amended to  
12 read as follows:

13 (b) Except as provided by Subsections (f) and (h), an  
14 offense under this section is:

15 (1) a Class C misdemeanor if:

16 (A) the amount of pecuniary loss is less than  
17 \$100; or

18 (B) except as provided in Subdivision (3)(A) or  
19 (3)(B), it causes substantial inconvenience to others;

20 (2) a Class B misdemeanor if the amount of pecuniary  
21 loss is \$100 or more but less than \$750;

22 (3) a Class A misdemeanor if:

23 (A) the amount of pecuniary loss is \$750 or more  
24 but less than \$2,500; or

1 (B) the actor causes in whole or in part  
2 impairment or interruption of any public water supply, or causes to  
3 be diverted in whole, in part, or in any manner, including  
4 installation or removal of any device for any such purpose, any  
5 public water supply, regardless of the amount of the pecuniary  
6 loss;

7 (4) a state jail felony if the amount of pecuniary loss  
8 is:

9 (A) \$2,500 or more but less than \$30,000;

10 (B) less than \$2,500, if the property damaged or  
11 destroyed is a habitation and if the damage or destruction is caused  
12 by a firearm or explosive weapon;

13 (C) less than \$2,500, if the property was a fence  
14 used for the production or containment of:

15 (i) cattle, bison, horses, sheep, swine,  
16 goats, exotic livestock, or exotic poultry; or

17 (ii) game animals as that term is defined by  
18 Section 63.001, Parks and Wildlife Code; ~~or~~

19 (D) less than \$30,000 and the actor:

20 (i) causes wholly or partly impairment or  
21 interruption of property used for flood control purposes or a dam or  
22 of public communications, public transportation, public gas or  
23 power supply, or other public service; or

24 (ii) causes to be diverted wholly, partly,  
25 or in any manner, including installation or removal of any device  
26 for any such purpose, any public communications or public gas or  
27 power supply; or

1                   (E) less than \$30,000, if the property is a motor  
2 vehicle that is damaged, destroyed, or tampered with during the  
3 removal or attempted removal of a catalytic converter from the  
4 motor vehicle;

5                   (5) a felony of the third degree if:

6                   (A) the amount of the pecuniary loss is \$30,000  
7 or more but less than \$150,000;

8                   (B) the actor, by discharging a firearm or other  
9 weapon or by any other means, causes the death of one or more head of  
10 cattle or bison or one or more horses; or

11                   (C) the actor causes wholly or partly impairment  
12 or interruption of access to an automated teller machine,  
13 regardless of the amount of the pecuniary loss;

14                   (6) a felony of the second degree if the amount of  
15 pecuniary loss is \$150,000 or more but less than \$300,000; or

16                   (7) a felony of the first degree if the amount of  
17 pecuniary loss is \$300,000 or more.

18                   SECTION 2.02. Section 31.03, Penal Code, is amended by  
19 amending Subsections (c) and (e) and adding Subsection (f-1) to  
20 read as follows:

21                   (c) For purposes of Subsection (b):

22                   (1) evidence that the actor has previously  
23 participated in recent transactions other than, but similar to, the  
24 transaction for ~~that~~ which the prosecution is based is admissible  
25 for the purpose of showing knowledge or intent and the issues of  
26 knowledge or intent are raised by the actor's plea of not guilty;

27                   (2) the testimony of an accomplice shall be

1 corroborated by proof that tends to connect the actor to the crime,  
2 but the actor's knowledge or intent may be established by the  
3 uncorroborated testimony of the accomplice;

4           (3) an actor engaged in the business of buying and  
5 selling used or secondhand personal property, or lending money on  
6 the security of personal property deposited with the actor, is  
7 presumed to know upon receipt by the actor of stolen property (other  
8 than a motor vehicle subject to Chapter 501, Transportation Code)  
9 that the property has been previously stolen from another if the  
10 actor pays for or loans against the property \$25 or more (or  
11 consideration of equivalent value) and the actor knowingly or  
12 recklessly:

13                   (A) fails to record the name, address, and  
14 physical description or identification number of the seller or  
15 pledgor;

16                   (B) fails to record a complete description of the  
17 property, including the serial number, if reasonably available, or  
18 other identifying characteristics; or

19                   (C) fails to obtain a signed warranty from the  
20 seller or pledgor that the seller or pledgor has the right to  
21 possess the property. It is the express intent of this provision  
22 that the presumption arises unless the actor complies with each of  
23 the numbered requirements;

24           (4) for the purposes of Subdivision (3)(A),  
25 "identification number" means driver's license number, military  
26 identification number, identification certificate, or other  
27 official number capable of identifying an individual;

1           (5) stolen property does not lose its character as  
2 stolen when recovered by any law enforcement agency;

3           (6) an actor engaged in the business of obtaining  
4 abandoned or wrecked motor vehicles or parts of an abandoned or  
5 wrecked motor vehicle for resale, disposal, scrap, repair,  
6 rebuilding, demolition, or other form of salvage is presumed to  
7 know on receipt by the actor of stolen property that the property  
8 has been previously stolen from another if the actor knowingly or  
9 recklessly:

10           (A) fails to maintain an accurate and legible  
11 inventory of each motor vehicle component part purchased by or  
12 delivered to the actor, including the date of purchase or delivery,  
13 the name, age, address, sex, and driver's license number of the  
14 seller or person making the delivery, the license plate number of  
15 the motor vehicle in which the part was delivered, a complete  
16 description of the part, and the vehicle identification number of  
17 the motor vehicle from which the part was removed, or in lieu of  
18 maintaining an inventory, fails to record the name and certificate  
19 of inventory number of the person who dismantled the motor vehicle  
20 from which the part was obtained;

21           (B) fails on receipt of a motor vehicle to obtain  
22 a certificate of authority, sales receipt, or transfer document as  
23 required by Chapter 683, Transportation Code, or a certificate of  
24 title showing that the motor vehicle is not subject to a lien or  
25 that all recorded liens on the motor vehicle have been released; or

26           (C) fails on receipt of a motor vehicle to  
27 immediately remove an unexpired license plate from the motor

1 vehicle, to keep the plate in a secure and locked place, or to  
2 maintain an inventory, on forms provided by the Texas Department of  
3 Motor Vehicles, of license plates kept under this paragraph,  
4 including for each plate or set of plates the license plate number  
5 and the make, motor number, and vehicle identification number of  
6 the motor vehicle from which the plate was removed;

7 (7) an actor who purchases or receives a used or  
8 secondhand motor vehicle is presumed to know on receipt by the actor  
9 of the motor vehicle that the motor vehicle has been previously  
10 stolen from another if the actor knowingly or recklessly:

11 (A) fails to report to the Texas Department of  
12 Motor Vehicles the failure of the person who sold or delivered the  
13 motor vehicle to the actor to deliver to the actor a properly  
14 executed certificate of title to the motor vehicle at the time the  
15 motor vehicle was delivered; or

16 (B) fails to file with the appropriate county tax  
17 assessor-collector the documents required under Section 501.145,  
18 Transportation Code, in the period provided by that section [~~of the~~  
19 ~~county in which the actor received the motor vehicle, not later than~~  
20 ~~the 20th day after the date the actor received the motor vehicle,~~  
21 ~~the registration license receipt and certificate of title or~~  
22 ~~evidence of title delivered to the actor in accordance with~~  
23 ~~Subchapter D, Chapter 520, Transportation Code, at the time the~~  
24 ~~motor vehicle was delivered~~];

25 (8) an actor who purchases or receives from any source  
26 other than a licensed retailer or distributor of pesticides a  
27 restricted-use pesticide or a state-limited-use pesticide or a

1 compound, mixture, or preparation containing a restricted-use or  
2 state-limited-use pesticide is presumed to know on receipt by the  
3 actor of the pesticide or compound, mixture, or preparation that  
4 the pesticide or compound, mixture, or preparation has been  
5 previously stolen from another if the actor:

6 (A) fails to record the name, address, and  
7 physical description of the seller or pledgor;

8 (B) fails to record a complete description of the  
9 amount and type of pesticide or compound, mixture, or preparation  
10 purchased or received; and

11 (C) fails to obtain a signed warranty from the  
12 seller or pledgor that the seller or pledgor has the right to  
13 possess the property; ~~and~~

14 (9) an actor who is subject to Section 409, Packers and  
15 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from  
16 a commission merchant by representing that the actor will make  
17 prompt payment is presumed to have induced the commission  
18 merchant's consent by deception if the actor fails to make full  
19 payment in accordance with Section 409, Packers and Stockyards Act  
20 (7 U.S.C. Section 228b); and

21 (10) an actor in possession of property consisting of  
22 two or more catalytic converters that have been removed from two or  
23 more motor vehicles is presumed to have unlawfully appropriated the  
24 property unless the actor:

25 (A) is the owner, as defined by Section 601.002,  
26 Transportation Code, of each vehicle from which the catalytic  
27 converters were removed; or

1           (B) possesses the catalytic converters in the  
2 ordinary course of the actor's business, including in the ordinary  
3 course of business of an entity described by Section 1956.123(1),  
4 Occupations Code.

5           (e) Except as provided by Subsections [~~Subsection~~] (f) and  
6 (f-1), an offense under this section is:

7           (1) a Class C misdemeanor if the value of the property  
8 stolen is less than \$100;

9           (2) a Class B misdemeanor if:

10           (A) the value of the property stolen is \$100 or  
11 more but less than \$750;

12           (B) the value of the property stolen is less than  
13 \$100 and the defendant has previously been convicted of any grade of  
14 theft; or

15           (C) the property stolen is a driver's license,  
16 commercial driver's license, or personal identification  
17 certificate issued by this state or another state;

18           (3) a Class A misdemeanor if the value of the property  
19 stolen is \$750 or more but less than \$2,500;

20           (4) a state jail felony if:

21           (A) the value of the property stolen is \$2,500 or  
22 more but less than \$30,000, or the property is less than 10 head of  
23 sheep, swine, or goats or any part thereof under the value of  
24 \$30,000;

25           (B) regardless of value, the property is stolen  
26 from the person of another or from a human corpse or grave,  
27 including property that is a military grave marker;



1 (C) the property stolen is a firearm[~~, as defined~~  
2 ~~by Section 46.01~~];

3 (D) the value of the property stolen is less than  
4 \$2,500 and the defendant has been previously convicted two or more  
5 times of any grade of theft;

6 (E) the property stolen is an official ballot or  
7 official carrier envelope for an election; ~~or~~

8 (F) the value of the property stolen is less than  
9 \$20,000 and the property stolen is:

10 (i) aluminum;

11 (ii) bronze;

12 (iii) copper; or

13 (iv) brass; or

14 (G) the value of the property stolen is less than  
15 \$30,000 and the property stolen is a catalytic converter;

16 (5) a felony of the third degree if the value of the  
17 property stolen is \$30,000 or more but less than \$150,000, or the  
18 property is:

19 (A) cattle, horses, or exotic livestock or exotic  
20 fowl as defined by Section 142.001, Agriculture Code, stolen during  
21 a single transaction and having an aggregate value of less than  
22 \$150,000;

23 (B) 10 or more head of sheep, swine, or goats  
24 stolen during a single transaction and having an aggregate value of  
25 less than \$150,000; or

26 (C) a controlled substance, having a value of  
27 less than \$150,000, if stolen from:

1 (i) a commercial building in which a  
2 controlled substance is generally stored, including a pharmacy,  
3 clinic, hospital, nursing facility, or warehouse; or

4 (ii) a vehicle owned or operated by a  
5 wholesale distributor of prescription drugs;

6 (6) a felony of the second degree if:

7 (A) the value of the property stolen is \$150,000  
8 or more but less than \$300,000; or

9 (B) the value of the property stolen is less than  
10 \$300,000 and the property stolen is an automated teller machine or  
11 the contents or components of an automated teller machine; or

12 (7) a felony of the first degree if the value of the  
13 property stolen is \$300,000 or more.

14 (f-1) An offense described for purposes of punishment by  
15 Subsections (e)(4)-(6) is increased to the next higher category of  
16 offense if it is shown on the trial of the offense that:

17 (1) the property stolen is a catalytic converter; and

18 (2) the actor possessed a firearm during the  
19 commission of the offense.

20 SECTION 2.03. Section 31.03(h), Penal Code, is amended by  
21 adding Subdivisions (7) and (8) to read as follows:

22 (7) "Catalytic converter" includes any material  
23 removed from a catalytic converter.

24 (8) "Firearm" has the meaning assigned by Section  
25 46.01.

26 SECTION 2.04. Chapter 31, Penal Code, is amended by adding  
27 Section 31.21 to read as follows:

Sec. 31.21. UNAUTHORIZED POSSESSION OF CATALYTIC

CONVERTER. (a) A person commits an offense if the person:

(1) intentionally or knowingly possesses a catalytic converter that has been removed from a motor vehicle; and

(2) is not a person who is authorized under Subsection (b) to possess the catalytic converter.

(b) A person is presumed to be authorized to possess a catalytic converter that has been removed from a motor vehicle if the person:

(1) is the owner, as defined by Section 601.002, Transportation Code, of the vehicle from which the catalytic converter was removed; or

(2) possesses the catalytic converter in the ordinary course of the person's business, including in the ordinary course of business of an entity described by Section 1956.123(1), Occupations Code.

(c) The presumption established under Subsection (b) does not apply to a person described by Subsection (b)(2) who knows that the catalytic converter was unlawfully removed from a motor vehicle or otherwise unlawfully obtained.

(d) Except as provided by Subsection (e), an offense under this section is a state jail felony.

(e) An offense under this section is a felony of the third degree if it is shown on the trial of the offense that the person:

(1) has been previously convicted of an offense under this section;

(2) in connection with the offense, engaged in conduct

1 constituting conspiracy under Section 15.02 to commit an offense  
2 under Section 28.03 or 31.03 with respect to a catalytic converter;  
3 or

4 (3) possessed a firearm during the commission of the  
5 offense.

6 (f) If conduct constituting an offense under this section  
7 also constitutes an offense under any other law, the actor may be  
8 prosecuted under this section, the other law, or both.

9 SECTION 2.05. Section 71.02(a), Penal Code, is amended to  
10 read as follows:

11 (a) A person commits an offense if, with the intent to  
12 establish, maintain, or participate in a combination or in the  
13 profits of a combination or as a member of a criminal street gang,  
14 the person commits or conspires to commit one or more of the  
15 following:

16 (1) murder, capital murder, arson, aggravated  
17 robbery, robbery, burglary, theft, aggravated kidnapping,  
18 kidnapping, aggravated assault, aggravated sexual assault, sexual  
19 assault, continuous sexual abuse of young child or disabled  
20 individual, solicitation of a minor, forgery, deadly conduct,  
21 assault punishable as a Class A misdemeanor, burglary of a motor  
22 vehicle, or unauthorized use of a motor vehicle;

23 (2) any gambling offense punishable as a Class A  
24 misdemeanor;

25 (3) promotion of prostitution, aggravated promotion  
26 of prostitution, or compelling prostitution;

27 (4) unlawful manufacture, transportation, repair, or

- 1 sale of firearms or prohibited weapons;
- 2 (5) unlawful manufacture, delivery, dispensation, or  
3 distribution of a controlled substance or dangerous drug, or  
4 unlawful possession of a controlled substance or dangerous drug  
5 through forgery, fraud, misrepresentation, or deception;
- 6 (5-a) causing the unlawful delivery, dispensation, or  
7 distribution of a controlled substance or dangerous drug in  
8 violation of Subtitle B, Title 3, Occupations Code;
- 9 (6) any unlawful wholesale promotion or possession of  
10 any obscene material or obscene device with the intent to wholesale  
11 promote the same;
- 12 (7) any offense under Subchapter B, Chapter 43,  
13 depicting or involving conduct by or directed toward a child  
14 younger than 18 years of age;
- 15 (8) any felony offense under Chapter 32;
- 16 (9) any offense under Chapter 36;
- 17 (10) any offense under Chapter 34, 35, or 35A;
- 18 (11) any offense under Section 37.11(a);
- 19 (12) any offense under Chapter 20A;
- 20 (13) any offense under Section 37.10;
- 21 (14) any offense under Section 38.06, 38.07, 38.09, or  
22 38.11;
- 23 (15) any offense under Section 42.10;
- 24 (16) any offense under Section 46.06(a)(1) or 46.14;
- 25 (17) any offense under Section 20.05 or 20.06;
- 26 (18) any offense under Section 16.02; [~~or~~]
- 27 (19) an offense under Section 28.03 that is punishable

1 under Subsection (b)(4)(E) of that section;

2 (20) an offense under Section 31.21 that is punishable  
3 under Subsection (d) of that section; or

4 (21) any offense classified as a felony under the Tax  
5 Code.

6 ARTICLE 3. REGULATORY PROVISIONS

7 SECTION 3.01. Chapter 1952, Insurance Code, is amended by  
8 adding Subchapter I to read as follows:

9 SUBCHAPTER I. PREMIUM DISCOUNT FOR CERTAIN ANTITHEFT DEVICES

10 Sec. 1952.401. DEFINITIONS. In this subchapter:

11 (1) "Catalytic converter" has the meaning assigned by  
12 Section 1956.001, Occupations Code.

13 (2) "Motor vehicle" means any motor driven or  
14 propelled vehicle required to be registered under the laws of this  
15 state.

16 Sec. 1952.402. APPLICABILITY. This subchapter applies to  
17 any part of the premium for an automobile insurance policy that  
18 covers theft or damage to a motor vehicle as a result of theft,  
19 attempted theft, or criminal mischief.

20 Sec. 1952.403. ANTITHEFT PREVENTION DISCOUNT. The  
21 commissioner by rule shall:

22 (1) identify antitheft devices and alarms that are  
23 effective in preventing or reducing theft of catalytic converters  
24 from motor vehicles; and

25 (2) require insurers to provide a premium discount on  
26 an automobile insurance policy if a covered motor vehicle has an  
27 antitheft device or alarm identified by the commissioner under

1 Subdivision (1).

2 SECTION 3.02. Section 1956.001, Occupations Code, is  
3 amended by amending Subdivision (6-b) and adding Subdivision (6-c)  
4 to read as follows:

5 (6-b) "Fixed location" means a structure or facility  
6 that:

7 (A) is attached to real property;

8 (B) has a fixed geographic location with a  
9 physical address; and

10 (C) is used wholly or partly to conduct an  
11 activity described by Subdivision (7).

12 (6-c) "Lead material" means:

13 (A) a commercial grade lead battery, lead-acid  
14 battery, or spiral cell battery; or

15 (B) a material or an item readily identifiable as  
16 being made of or containing lead.

17 SECTION 3.03. Section 1956.016, Occupations Code, is  
18 amended to read as follows:

19 Sec. 1956.016. REGISTRATION DATABASE. The department shall  
20 make available on its Internet website a publicly accessible list  
21 of all registered metal recycling entities. The list must contain  
22 the following for each registered metal recycling entity:

23 (1) the entity's name;

24 (2) the entity's physical address; ~~and~~

25 (3) the name of and contact information for a  
26 representative of the entity; and

27 (4) a description of the extent to which the entity

1 engages in transactions involving catalytic converters based on the  
2 entity's most recent declaration submitted under Section  
3 1956.022(a) or 1956.127, as applicable.

4 SECTION 3.04. Section 1956.017(b), Occupations Code, is  
5 amended to read as follows:

6 (b) The advisory committee consists of 15 members appointed  
7 by the director as follows:

8 (1) one representative of the department;

9 (2) two representatives of local law enforcement  
10 agencies located in different municipalities, each with a  
11 population of 500,000 or more;

12 (3) two representatives of local law enforcement  
13 agencies located in different municipalities, each with a  
14 population of 200,000 or more but less than 500,000;

15 (4) one representative of a local law enforcement  
16 agency located in a municipality with a population of less than  
17 200,000;

18 (5) five representatives of metal recycling entities,  
19 at least one of whom must have substantial business experience with  
20 transactions involving the purchase or acquisition of catalytic  
21 converters;

22 (6) two members who represent industries that are  
23 impacted by theft of regulated material;

24 (7) one sheriff of a county with a population of  
25 500,000 or more; and

26 (8) one sheriff of a county with a population of less  
27 than 500,000.



1 SECTION 3.05. Section 1956.022, Occupations Code, is  
2 amended to read as follows:

3 Sec. 1956.022. ISSUANCE OF CERTIFICATE; QUALIFICATIONS.

4 (a) The department shall issue a certificate of registration to an  
5 applicant who:

6 (1) applies and pays a registration fee; ~~and~~

7 (2) presents any relevant evidence relating to the  
8 applicant's qualifications as required by commission rule; and

9 (3) submits a declaration describing the extent to  
10 which the applicant intends to engage in transactions involving  
11 catalytic converters removed from motor vehicles in the course of  
12 the applicant's business activity.

13 (a-1) If the applicant's business activity involves  
14 catalytic converters removed from motor vehicles, the declaration  
15 described by Subsection (a)(3) must state:

16 (1) whether the applicant will engage in a business  
17 activity described by Section 1956.001(7)(A) or (B) with respect to  
18 catalytic converters removed from motor vehicles;

19 (2) whether the applicant will engage in a business  
20 activity described by Section 1956.001(7)(C) but not a business  
21 activity described by Section 1956.001(7)(A) or (B), with respect  
22 to catalytic converters removed from motor vehicles; or

23 (3) that the applicant will deal only incidentally  
24 with catalytic converters removed from motor vehicles.

25 (b) The commission by rule may establish qualifications for  
26 the holder of a certificate of registration under this chapter,  
27 which may include accepting copies of a license or permit issued by

1 a county or municipality authorizing a metal recycling entity to  
2 conduct business in that county or municipality. The  
3 qualifications may differ for a holder of a certificate of  
4 registration under this chapter based on the extent to which the  
5 person engages in transactions involving catalytic converters  
6 removed from motor vehicles as stated on the person's declaration  
7 submitted under Subsection (a).

8 SECTION 3.06. Section 1956.024(a), Occupations Code, is  
9 amended to read as follows:

10 (a) To renew a certificate of registration, a person must:  
11 (1) submit an application for renewal in the manner  
12 prescribed by the department; and  
13 (2) update the person's declaration submitted under  
14 Section 1956.022(a).

15 SECTION 3.07. Chapter 1956, Occupations Code, is amended by  
16 adding Subchapter C-1 to read as follows:

17 SUBCHAPTER C-1. CERTAIN TRANSACTIONS INVOLVING CATALYTIC  
18 CONVERTERS REMOVED FROM MOTOR VEHICLES

19 Sec. 1956.121. DEFINITION. In this subchapter, "motor  
20 vehicle" has the meaning assigned by Section 541.201,  
21 Transportation Code.

22 Sec. 1956.122. APPLICABILITY; EFFECT OF LAW. (a)  
23 Notwithstanding any other provision of this chapter, this  
24 subchapter applies to the purchase or acquisition, from a person  
25 described by Section 1956.002(1), of a catalytic converter removed  
26 from a motor vehicle.

27 (b) This subchapter does not affect any requirement under

1 Subchapter A-3, including any requirement applicable to the  
2 purchase or acquisition of a catalytic converter removed from a  
3 motor vehicle from a person not described by Section 1956.002(1).

4 Sec. 1956.123. LIMITATION ON PURCHASING OR OTHERWISE  
5 ACQUIRING CATALYTIC CONVERTERS. A metal recycling entity may not  
6 purchase or otherwise acquire a catalytic converter that was  
7 removed from a motor vehicle from a person described by Section  
8 1956.002(1), unless each of the following is satisfied:

9 (1) the person selling the catalytic converter to the  
10 metal recycling entity acquired it in the ordinary course of the  
11 person's business, including in the ordinary course of business of  
12 any of the following entities:

13 (A) an automotive wrecking and salvage yard as  
14 defined by Section 234.001, Local Government Code;

15 (B) a metal recycling entity registered under  
16 this chapter;

17 (C) a manufacturer, distributor, converter, or  
18 dealer licensed under Chapter 2301, including any department of a  
19 dealer or converter that repairs or services motor vehicles;

20 (D) a salvage vehicle dealer licensed under  
21 Chapter 2302 or a salvage pool operator as defined by Section  
22 2302.001;

23 (E) a vehicle storage facility licensed under  
24 Chapter 2303;

25 (F) a shop or garage that is engaged in the  
26 business of repairing motor vehicles;

27 (G) a used automotive parts recycler licensed

1 under Chapter 2309;

2 (H) a motor vehicle demolisher as defined by  
3 Section 683.001, Transportation Code;

4 (I) a school or training program in which  
5 students are provided instruction on building, repairing, or  
6 restoring motor vehicles;

7 (J) a business that is:

8 (i) located in and regulated by another  
9 state or a political subdivision of another state; and

10 (ii) engaged in an activity for which a  
11 business described by Paragraphs (A) through (I) is regulated by  
12 this state or a political subdivision of this state; or

13 (K) a business that is located in a jurisdiction  
14 outside the United States and operated in a business form  
15 recognized by the laws of that jurisdiction and that imports  
16 catalytic converters into the United States in accordance with the  
17 Harmonized Tariff Schedule of the United States published by the  
18 United States International Trade Commission; and

19 (2) any individual acting on behalf of the person  
20 described by Subdivision (1) has the apparent authority to enter  
21 into the transaction and is acting in the scope of that authority,  
22 regardless of whether the individual is a principal, employee, or  
23 independent contractor.

24 Sec. 1956.124. CERTAIN RECORDS REQUIRED WHEN PURCHASING OR  
25 OTHERWISE ACQUIRING CATALYTIC CONVERTER; OFFENSE. (a) A metal  
26 recycling entity shall maintain an accurate record of each  
27 transaction in which the entity purchases or otherwise acquires a

1 catalytic converter that is removed from a motor vehicle from a  
2 person described by Section 1956.123.

3 (b) A record meets the requirements of Subsection (a) if it  
4 contains:

5 (1) a description made in accordance with the custom  
6 of the trade for the volume of catalytic converters purchased or  
7 otherwise acquired;

8 (2) the business name of the person from whom the  
9 catalytic converters were purchased or otherwise acquired; and

10 (3) the date of the transaction.

11 (c) A metal recycling entity shall preserve each record  
12 required by this section until the second anniversary of the date  
13 the record was made. The records must be maintained in an easily  
14 retrievable format and must be available for inspection as provided  
15 by Section 1956.125 not later than 72 hours after the time of  
16 purchase or acquisition.

17 (d) A record containing the information described by  
18 Subsection (b) that is maintained in accordance with other law or as  
19 a routine business practice satisfies the requirements of  
20 Subsection (a).

21 (e) A metal recycling entity commits an offense if the  
22 entity intentionally or knowingly fails to maintain a record as  
23 required by this section. An offense under this subsection is a  
24 Class A misdemeanor.

25 Sec. 1956.125. INSPECTION OF RECORDS. On request, a metal  
26 recycling entity shall permit a peace officer, a representative of  
27 the department, or a representative of a county, municipality, or

1 other political subdivision that issues a license or permit under  
2 Section 1956.003(b) to, during the entity's usual business hours:

- 3 (1) enter the premises of the entity; and  
4 (2) inspect a record required to be maintained by  
5 Section 1956.124.

6 Sec. 1956.126. EFFECT ON LOCAL LAW. (a) Notwithstanding  
7 Section 1956.003, a county, municipality, or political subdivision  
8 of this state may not:

9 (1) with respect to a catalytic converter removed from  
10 a motor vehicle, restrict the purchase, acquisition, sale,  
11 transfer, or possession of the catalytic converter by a person  
12 described by Section 1956.123; or

13 (2) alter or add to the recordkeeping requirements  
14 provided by Section 1956.124.

15 (b) Subsection (a) does not affect the authority of a  
16 county, municipality, or political subdivision of this state to:

17 (1) as provided by Section 1956.003, issue a license  
18 or permit allowing a business to act as a metal recycling entity in  
19 that county, municipality, or political subdivision; or

20 (2) inspect a record as provided by Section 1956.125.

21 Sec. 1956.127. DECLARATION UPDATE. If the business  
22 activity of a metal recycling entity substantially changes in the  
23 extent to which the entity engages in transactions involving  
24 catalytic converters removed from motor vehicles, the entity shall  
25 update the entity's declaration submitted under Section 1956.022.

26 Sec. 1956.128. ADMINISTRATIVE PENALTY. (a) The commission  
27 may impose an administrative penalty under Subchapter R, Chapter

1 411, Government Code, on a metal recycling entity that:

2 (1) violates Section 1956.123 due to the entity's  
3 failure to exercise due diligence in purchasing or acquiring a  
4 catalytic converter removed from a motor vehicle; or

5 (2) violates Section 1956.124.

6 (b) The amount of the administrative penalty may not exceed  
7 \$10,000.

8 SECTION 3.08. Subchapter A, Chapter 2305, Occupations Code,  
9 is amended by adding Section 2305.0041 to read as follows:

10 Sec. 2305.0041. LIMITATION ON BUYING AND SELLING CATALYTIC  
11 CONVERTERS. A person subject to this subchapter may not buy or sell  
12 a catalytic converter removed from a motor vehicle unless the  
13 catalytic converter was removed from the motor vehicle in  
14 connection with the person's repair of the vehicle.

15 SECTION 3.09. The heading to Section 2305.0051, Occupations  
16 Code, is amended to read as follows:

17 Sec. 2305.0051. REPAIR RECORDS RELATED TO CATALYTIC  
18 CONVERTERS.

19 SECTION 3.10. Section 2305.0051(a), Occupations Code, is  
20 amended to read as follows:

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

26 (1) the name and address of the vehicle's owner; [~~and~~]

27 (2) the vehicle identification number of the vehicle;

1 and

2 (3) copies of all related invoices including, as  
3 applicable, a notation that a catalytic converter was removed from  
4 the vehicle.

5 SECTION 3.11. Section 2305.101(c), Occupations Code, is  
6 amended to read as follows:

7 (c) An offense under this chapter that consists of the  
8 violation of Section 2305.0041, 2305.0051, or 2305.007 is a Class A  
9 misdemeanor.

10 SECTION 3.12. Chapter 2305, Occupations Code, is amended by  
11 adding Subchapter D to read as follows:

12 SUBCHAPTER D. RECORDS OF CERTAIN SALES OR TRANSFERS OF CATALYTIC  
13 CONVERTERS REMOVED FROM MOTOR VEHICLES

14 Sec. 2305.151. DEFINITION. In this subchapter, "catalytic  
15 converter" has the meaning assigned by Section 1956.001.

16 Sec. 2305.152. APPLICABILITY. This subchapter applies only  
17 to a person described by Section 1956.123(1)(A) through (I).

18 Sec. 2305.153. RECORD REQUIRED. (a) A person to whom this  
19 subchapter applies shall, for each transaction in which the person  
20 sells or transfers to another person a catalytic converter that is  
21 removed from a motor vehicle, maintain an accurate record of the  
22 transaction until the second anniversary of the date of the  
23 transaction.

24 (b) A record is sufficient to meet the requirements of  
25 Subsection (a) if it contains:

26 (1) a description made in accordance with the custom  
27 of the trade for the volume of catalytic converters sold or



1 transferred;

2 (2) the name of the person to whom the catalytic  
3 converters were sold or transferred; and

4 (3) the date of the transaction.

5 (c) A record containing the information described by  
6 Subsection (b) that is maintained in accordance with other law or as  
7 a routine business practice satisfies the requirements of  
8 Subsection (a).

9 Sec. 2305.154. OFFENSE: FAILURE TO MAINTAIN RECORD. (a) A  
10 person commits an offense if the person intentionally or knowingly  
11 fails to maintain a record as required by Section 2305.153.

12 (b) An offense under this section is a Class A misdemeanor.

13 (c) If conduct that constitutes an offense under this  
14 section also constitutes an offense under another provision of this  
15 chapter, the person may be prosecuted only under this section.

16 Sec. 2305.155. INSPECTION OF CERTAIN RECORDS. (a) In this  
17 section, "licensing authority" and "occupational license" have the  
18 meanings assigned by Section 58.001.

19 (b) If an occupational license is required for a person to  
20 engage in a business or occupation described by Section  
21 1956.123(1)(A) through (I), the licensing authority that issues the  
22 occupational license may at a reasonable time:

23 (1) enter the premises at which the person engages in  
24 the regulated business or occupation; and

25 (2) inspect the records or information required to be  
26 maintained under Section 2305.153.

27 (c) Regardless of whether an occupational license is

1 required, an officer of the Department of Public Safety or another  
2 peace officer may enter the premises of and inspect the records of a  
3 person described by Section 1956.123(1)(A) through (I), as provided  
4 by Subsection (b).

5 SECTION 3.13. Section 1006.001(2), Transportation Code, is  
6 amended to read as follows:

7 (2) "Economic motor vehicle theft" means motor vehicle  
8 burglary or theft, including theft of a catalytic converter  
9 attached to a motor vehicle, committed for financial gain.

10 SECTION 3.14. Sections 1006.153(b) and (e), Transportation  
11 Code, are amended to read as follows:

12 (b) An insurer shall pay to the authority a fee equal to \$5  
13 [~~\$4~~] multiplied by the total number of motor vehicle years of  
14 insurance for insurance policies delivered, issued for delivery, or  
15 renewed by the insurer. The fee shall be paid not later than:

16 (1) March 1 of each year for a policy delivered,  
17 issued, or renewed from July 1 through December 31 of the previous  
18 calendar year; and

19 (2) August 1 of each year for a policy delivered,  
20 issued, or renewed from January 1 through June 30 of that year.

21 (e) Out of each fee collected under Subsection (b), \$1 shall  
22 be deposited to the credit of the general revenue fund to be used  
23 only for coordinated regulatory and law enforcement activities  
24 intended to detect and prevent catalytic converter theft in this  
25 state. The remainder of each fee collected under Subsection (b) and  
26 any [~~or an~~] amount collected under Subsection (b-1) shall be  
27 allocated as follows:

1           (1) 20 percent shall be appropriated to the authority  
2 for the purposes of this chapter;

3           (2) 20 percent shall be deposited to the credit of the  
4 general revenue fund, to be used only for criminal justice  
5 purposes; and

6           (3) 60 percent shall be deposited to the credit of the  
7 designated trauma facility and emergency medical services account  
8 under Section 780.003, Health and Safety Code, to be used only for  
9 the criminal justice purpose of funding designated trauma  
10 facilities, county and regional emergency medical services, and  
11 trauma care systems that provide trauma care and emergency medical  
12 services to victims of accidents resulting from traffic offenses.

13                           ARTICLE 4. TRANSITIONS

14           SECTION 4.01. (a) Not later than December 1, 2023, the  
15 commissioner of insurance shall adopt rules as required by Section  
16 1952.403, Insurance Code, as added by this Act.

17           (b) Subchapter I, Chapter 1952, Insurance Code, as added by  
18 this Act, applies only to an insurance policy that is delivered,  
19 issued for delivery, or renewed on or after January 1, 2024. A  
20 policy delivered, issued for delivery, or renewed before January 1,  
21 2024, is governed by the law as it existed immediately before the  
22 effective date of this Act, and that law is continued in effect for  
23 that purpose.

24           SECTION 4.02. The change in law made by this Act to Section  
25 1956.017, Occupations Code, does not affect the entitlement of a  
26 member serving on the advisory committee established under that  
27 section immediately before the effective date of this Act to

1 continue to serve for the remainder of the member's term. As the  
2 terms of members expire after the effective date of this Act, the  
3 director of the Department of Public Safety shall appoint or  
4 reappoint members who have the qualifications required by that  
5 section.

6 SECTION 4.03. Not later than October 1, 2023, a metal  
7 recycling entity registered under Chapter 1956, Occupations Code,  
8 shall submit a declaration described by Section 1956.022(a)(3), as  
9 added by this Act, to the Department of Public Safety.

10 SECTION 4.04. As soon as practicable after the effective  
11 date of this Act, the Department of Public Safety shall adopt rules  
12 necessary to implement the changes in law made by this Act to  
13 Chapter 1956, Occupations Code.

14 SECTION 4.05. The changes in law made by this Act to  
15 Sections 28.03, 31.03, and 71.02, Penal Code, apply only to an  
16 offense committed on or after the effective date of this Act. An  
17 offense committed before the effective date of this Act is governed  
18 by the law in effect on the date the offense was committed, and the  
19 former law is continued in effect for that purpose. For purposes  
20 of this section, an offense was committed before the effective date  
21 of this Act if any element of the offense occurred before that date.

22 SECTION 4.06. Section 1006.153, Transportation Code, as  
23 amended by this Act, applies only to a fee due on or after the  
24 effective date of this Act. A fee due before the effective date of  
25 this Act is governed by the law in effect on the date the fee was  
26 due, and the former law is continued in effect for that purpose.

1 ARTICLE 5. COORDINATION OF STATE AGENCIES TO DETECT AND PREVENT

2 THEFT OF CATALYTIC CONVERTERS

3 SECTION 5.01. (a) Not later than January 1, 2024, the  
4 Department of Public Safety, the Texas Department of Licensing and  
5 Regulation, the Texas Department of Motor Vehicles, and the Motor  
6 Vehicle Crime Prevention Authority shall develop and implement a  
7 plan to coordinate their efforts to:

8 (1) review the records of persons regulated by each  
9 agency involving the purchase, acquisition, sale, or transfer of  
10 catalytic converters removed from motor vehicles; and

11 (2) respond to suspicious activities that may be  
12 detected through the analysis of the records described by  
13 Subdivision (1) of this subsection.

14 (b) The agencies listed in Subsection (a) of this section  
15 shall jointly establish a task force composed of persons regulated  
16 by the agencies who have substantial business experience in  
17 transactions involving catalytic converters. The agencies shall  
18 develop the plan described by Subsection (a) of this section with  
19 the participation of the task force.

20 (c) Except as provided by this subsection, each agency may  
21 appoint members to the task force as that agency determines  
22 appropriate. If any of the agencies has a relevant advisory  
23 committee that is tasked with assisting the agency, the agency may  
24 only appoint a member of the agency's advisory committee to the task  
25 force.

26 (d) In developing and implementing the plan, the agencies  
27 shall focus on:

1           (1) protecting each step in the legitimate stream of  
2 commerce that begins with the removal of a catalytic converter from  
3 a motor vehicle and includes recycling those catalytic converters  
4 to ensure that the persons regulated by the agencies are not the  
5 means for inserting stolen catalytic converters into the stream of  
6 commerce; and

7           (2) providing risk-based targeting and random  
8 auditing of the records of the persons regulated by the agencies.

9                           ARTICLE 6. EFFECTIVE DATE

10           SECTION 6.01. (a) Except as provided by this section, this  
11 Act takes effect September 1, 2023.

12           (b) Section [1956.001\(6-b\)](#), Occupations Code, as amended by  
13 this Act, takes effect January 1, 2024.