

1-1 By: Alvarado, et al. S.B. No. 224  
 1-2 (In the Senate - Filed November 14, 2022; February 15, 2023,  
 1-3 read first time and referred to Committee on Criminal Justice;  
 1-4 March 27, 2023, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 7, Nays 0; March 27, 2023,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 224 By: Whitmire

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to catalytic converters, including criminal conduct  
 1-20 involving catalytic converters; providing an administrative  
 1-21 penalty; creating a criminal offense; increasing a criminal  
 1-22 penalty; increasing a fee.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 ARTICLE 1. TITLE

1-25 SECTION 1.01. This Act may be cited as the Deputy Darren  
 1-26 Almendarez Act.

1-27 ARTICLE 2. CRIMINAL OFFENSES

1-28 SECTION 2.01. Section 28.03(b), Penal Code, is amended to  
 1-29 read as follows:

1-30 (b) Except as provided by Subsections (f) and (h), an  
 1-31 offense under this section is:

1-32 (1) a Class C misdemeanor if:  
 1-33 (A) the amount of pecuniary loss is less than  
 1-34 \$100; or

1-35 (B) except as provided in Subdivision (3)(A) or  
 1-36 (3)(B), it causes substantial inconvenience to others;

1-37 (2) a Class B misdemeanor if the amount of pecuniary  
 1-38 loss is \$100 or more but less than \$750;

1-39 (3) a Class A misdemeanor if:  
 1-40 (A) the amount of pecuniary loss is \$750 or more  
 1-41 but less than \$2,500; or

1-42 (B) the actor causes in whole or in part  
 1-43 impairment or interruption of any public water supply, or causes to  
 1-44 be diverted in whole, in part, or in any manner, including  
 1-45 installation or removal of any device for any such purpose, any  
 1-46 public water supply, regardless of the amount of the pecuniary  
 1-47 loss;

1-48 (4) a state jail felony if the amount of pecuniary loss  
 1-49 is:

1-50 (A) \$2,500 or more but less than \$30,000;  
 1-51 (B) less than \$2,500, if the property damaged or

1-52 destroyed is a habitation and if the damage or destruction is caused  
 1-53 by a firearm or explosive weapon;

1-54 (C) less than \$2,500, if the property was a fence  
 1-55 used for the production or containment of:

1-56 (i) cattle, bison, horses, sheep, swine,  
 1-57 goats, exotic livestock, or exotic poultry; or

1-58 (ii) game animals as that term is defined by  
 1-59 Section 63.001, Parks and Wildlife Code; ~~or~~

1-60 (D) less than \$30,000 and the actor:

2-1 (i) causes wholly or partly impairment or  
2-2 interruption of property used for flood control purposes or a dam or  
2-3 of public communications, public transportation, public gas or  
2-4 power supply, or other public service; or

2-5 (ii) causes to be diverted wholly, partly,  
2-6 or in any manner, including installation or removal of any device  
2-7 for any such purpose, any public communications or public gas or  
2-8 power supply; or

2-9 (E) less than \$30,000, if the property is a motor  
2-10 vehicle that is damaged, destroyed, or tampered with during the  
2-11 removal or attempted removal of a catalytic converter from the  
2-12 motor vehicle;

2-13 (5) a felony of the third degree if:

2-14 (A) the amount of the pecuniary loss is \$30,000  
2-15 or more but less than \$150,000;

2-16 (B) the actor, by discharging a firearm or other  
2-17 weapon or by any other means, causes the death of one or more head of  
2-18 cattle or bison or one or more horses; or

2-19 (C) the actor causes wholly or partly impairment  
2-20 or interruption of access to an automated teller machine,  
2-21 regardless of the amount of the pecuniary loss;

2-22 (6) a felony of the second degree if the amount of  
2-23 pecuniary loss is \$150,000 or more but less than \$300,000; or

2-24 (7) a felony of the first degree if the amount of  
2-25 pecuniary loss is \$300,000 or more.

2-26 SECTION 2.02. Section 31.03, Penal Code, is amended by  
2-27 amending Subsections (c) and (e) and adding Subsection (f-1) to  
2-28 read as follows:

2-29 (c) For purposes of Subsection (b):

2-30 (1) evidence that the actor has previously  
2-31 participated in recent transactions other than, but similar to, the  
2-32 transaction for [that] which the prosecution is based is admissible  
2-33 for the purpose of showing knowledge or intent and the issues of  
2-34 knowledge or intent are raised by the actor's plea of not guilty;

2-35 (2) the testimony of an accomplice shall be  
2-36 corroborated by proof that tends to connect the actor to the crime,  
2-37 but the actor's knowledge or intent may be established by the  
2-38 uncorroborated testimony of the accomplice;

2-39 (3) an actor engaged in the business of buying and  
2-40 selling used or secondhand personal property, or lending money on  
2-41 the security of personal property deposited with the actor, is  
2-42 presumed to know upon receipt by the actor of stolen property (other  
2-43 than a motor vehicle subject to Chapter 501, Transportation Code)  
2-44 that the property has been previously stolen from another if the  
2-45 actor pays for or loans against the property \$25 or more (or  
2-46 consideration of equivalent value) and the actor knowingly or  
2-47 recklessly:

2-48 (A) fails to record the name, address, and  
2-49 physical description or identification number of the seller or  
2-50 pledgor;

2-51 (B) fails to record a complete description of the  
2-52 property, including the serial number, if reasonably available, or  
2-53 other identifying characteristics; or

2-54 (C) fails to obtain a signed warranty from the  
2-55 seller or pledgor that the seller or pledgor has the right to  
2-56 possess the property. It is the express intent of this provision  
2-57 that the presumption arises unless the actor complies with each of  
2-58 the numbered requirements;

2-59 (4) for the purposes of Subdivision (3)(A),  
2-60 "identification number" means driver's license number, military  
2-61 identification number, identification certificate, or other  
2-62 official number capable of identifying an individual;

2-63 (5) stolen property does not lose its character as  
2-64 stolen when recovered by any law enforcement agency;

2-65 (6) an actor engaged in the business of obtaining  
2-66 abandoned or wrecked motor vehicles or parts of an abandoned or  
2-67 wrecked motor vehicle for resale, disposal, scrap, repair,  
2-68 rebuilding, demolition, or other form of salvage is presumed to  
2-69 know on receipt by the actor of stolen property that the property

3-1 has been previously stolen from another if the actor knowingly or  
 3-2 recklessly:

3-3 (A) fails to maintain an accurate and legible  
 3-4 inventory of each motor vehicle component part purchased by or  
 3-5 delivered to the actor, including the date of purchase or delivery,  
 3-6 the name, age, address, sex, and driver's license number of the  
 3-7 seller or person making the delivery, the license plate number of  
 3-8 the motor vehicle in which the part was delivered, a complete  
 3-9 description of the part, and the vehicle identification number of  
 3-10 the motor vehicle from which the part was removed, or in lieu of  
 3-11 maintaining an inventory, fails to record the name and certificate  
 3-12 of inventory number of the person who dismantled the motor vehicle  
 3-13 from which the part was obtained;

3-14 (B) fails on receipt of a motor vehicle to obtain  
 3-15 a certificate of authority, sales receipt, or transfer document as  
 3-16 required by Chapter 683, Transportation Code, or a certificate of  
 3-17 title showing that the motor vehicle is not subject to a lien or  
 3-18 that all recorded liens on the motor vehicle have been released; or

3-19 (C) fails on receipt of a motor vehicle to  
 3-20 immediately remove an unexpired license plate from the motor  
 3-21 vehicle, to keep the plate in a secure and locked place, or to  
 3-22 maintain an inventory, on forms provided by the Texas Department of  
 3-23 Motor Vehicles, of license plates kept under this paragraph,  
 3-24 including for each plate or set of plates the license plate number  
 3-25 and the make, motor number, and vehicle identification number of  
 3-26 the motor vehicle from which the plate was removed;

3-27 (7) an actor who purchases or receives a used or  
 3-28 secondhand motor vehicle is presumed to know on receipt by the actor  
 3-29 of the motor vehicle that the motor vehicle has been previously  
 3-30 stolen from another if the actor knowingly or recklessly:

3-31 (A) fails to report to the Texas Department of  
 3-32 Motor Vehicles the failure of the person who sold or delivered the  
 3-33 motor vehicle to the actor to deliver to the actor a properly  
 3-34 executed certificate of title to the motor vehicle at the time the  
 3-35 motor vehicle was delivered; or

3-36 (B) fails to file with the county tax  
 3-37 assessor-collector of the county in which the actor received the  
 3-38 motor vehicle, not later than the 20th day after the date the actor  
 3-39 received the motor vehicle, the registration license receipt and  
 3-40 certificate of title or evidence of title delivered to the actor in  
 3-41 accordance with Subchapter D, Chapter 520, Transportation Code, at  
 3-42 the time the motor vehicle was delivered;

3-43 (8) an actor who purchases or receives from any source  
 3-44 other than a licensed retailer or distributor of pesticides a  
 3-45 restricted-use pesticide or a state-limited-use pesticide or a  
 3-46 compound, mixture, or preparation containing a restricted-use or  
 3-47 state-limited-use pesticide is presumed to know on receipt by the  
 3-48 actor of the pesticide or compound, mixture, or preparation that  
 3-49 the pesticide or compound, mixture, or preparation has been  
 3-50 previously stolen from another if the actor:

3-51 (A) fails to record the name, address, and  
 3-52 physical description of the seller or pledgor;

3-53 (B) fails to record a complete description of the  
 3-54 amount and type of pesticide or compound, mixture, or preparation  
 3-55 purchased or received; and

3-56 (C) fails to obtain a signed warranty from the  
 3-57 seller or pledgor that the seller or pledgor has the right to  
 3-58 possess the property; ~~and~~

3-59 (9) an actor who is subject to Section 409, Packers and  
 3-60 Stockyards Act (7 U.S.C. Section 228b), that obtains livestock from  
 3-61 a commission merchant by representing that the actor will make  
 3-62 prompt payment is presumed to have induced the commission  
 3-63 merchant's consent by deception if the actor fails to make full  
 3-64 payment in accordance with Section 409, Packers and Stockyards Act  
 3-65 (7 U.S.C. Section 228b); and

3-66 (10) an actor in possession of property consisting of  
 3-67 one or more catalytic converters that have been removed from a motor  
 3-68 vehicle is presumed to have unlawfully appropriated the property  
 3-69 unless the actor:

4-1 (A) is the owner, as defined by Section 601.002,  
4-2 Transportation Code, of each vehicle from which the catalytic  
4-3 converters were removed; or  
4-4 (B) possesses the catalytic converters in the  
4-5 ordinary course of the actor's business, including in the ordinary  
4-6 course of business of an entity described by Section 1956.123(1),  
4-7 Occupations Code.  
4-8 (e) Except as provided by Subsections [~~Subsection~~] (f) and  
4-9 (f-1), an offense under this section is:  
4-10 (1) a Class C misdemeanor if the value of the property  
4-11 stolen is less than \$100;  
4-12 (2) a Class B misdemeanor if:  
4-13 (A) the value of the property stolen is \$100 or  
4-14 more but less than \$750;  
4-15 (B) the value of the property stolen is less than  
4-16 \$100 and the defendant has previously been convicted of any grade of  
4-17 theft; or  
4-18 (C) the property stolen is a driver's license,  
4-19 commercial driver's license, or personal identification  
4-20 certificate issued by this state or another state;  
4-21 (3) a Class A misdemeanor if the value of the property  
4-22 stolen is \$750 or more but less than \$2,500;  
4-23 (4) a state jail felony if:  
4-24 (A) the value of the property stolen is \$2,500 or  
4-25 more but less than \$30,000, or the property is less than 10 head of  
4-26 sheep, swine, or goats or any part thereof under the value of  
4-27 \$30,000;  
4-28 (B) regardless of value, the property is stolen  
4-29 from the person of another or from a human corpse or grave,  
4-30 including property that is a military grave marker;  
4-31 (C) the property stolen is a firearm[, ~~as defined~~  
4-32 ~~by Section 46.01~~];  
4-33 (D) the value of the property stolen is less than  
4-34 \$2,500 and the defendant has been previously convicted two or more  
4-35 times of any grade of theft;  
4-36 (E) the property stolen is an official ballot or  
4-37 official carrier envelope for an election; ~~or~~  
4-38 (F) the value of the property stolen is less than  
4-39 \$20,000 and the property stolen is:  
4-40 (i) aluminum;  
4-41 (ii) bronze;  
4-42 (iii) copper; or  
4-43 (iv) brass; or  
4-44 (G) the cost of replacing the property stolen is  
4-45 less than \$30,000 and the property stolen is a catalytic converter;  
4-46 (5) a felony of the third degree if the value of the  
4-47 property stolen is \$30,000 or more but less than \$150,000, or the  
4-48 property is:  
4-49 (A) cattle, horses, or exotic livestock or exotic  
4-50 fowl as defined by Section 142.001, Agriculture Code, stolen during  
4-51 a single transaction and having an aggregate value of less than  
4-52 \$150,000;  
4-53 (B) 10 or more head of sheep, swine, or goats  
4-54 stolen during a single transaction and having an aggregate value of  
4-55 less than \$150,000; or  
4-56 (C) a controlled substance, having a value of  
4-57 less than \$150,000, if stolen from:  
4-58 (i) a commercial building in which a  
4-59 controlled substance is generally stored, including a pharmacy,  
4-60 clinic, hospital, nursing facility, or warehouse; or  
4-61 (ii) a vehicle owned or operated by a  
4-62 wholesale distributor of prescription drugs;  
4-63 (6) a felony of the second degree if:  
4-64 (A) the value of the property stolen is \$150,000  
4-65 or more but less than \$300,000; or  
4-66 (B) the value of the property stolen is less than  
4-67 \$300,000 and the property stolen is an automated teller machine or  
4-68 the contents or components of an automated teller machine; or  
4-69 (7) a felony of the first degree if the value of the



5-1 property stolen is \$300,000 or more.

5-2 (f-1) An offense described for purposes of punishment by  
5-3 Subsections (e)(4)-(6) is increased to the next higher category of  
5-4 offense if it is shown on the trial of the offense that:

- 5-5 (1) the property stolen is a catalytic converter; and
- 5-6 (2) the actor possessed a firearm during the  
5-7 commission of the offense.

5-8 SECTION 2.03. Section 31.03(h), Penal Code, is amended by  
5-9 adding Subdivisions (7) and (8) to read as follows:

5-10 (7) "Catalytic converter" means a catalytic converter  
5-11 and any material removed from the catalytic converter.

5-12 (8) "Firearm" has the meaning assigned by Section  
5-13 46.01.

5-14 SECTION 2.04. Chapter 31, Penal Code, is amended by adding  
5-15 Section 31.21 to read as follows:

5-16 Sec. 31.21. UNAUTHORIZED POSSESSION OF CATALYTIC  
5-17 CONVERTER. (a) A person commits an offense if the person:

5-18 (1) intentionally or knowingly possesses a catalytic  
5-19 converter that has been removed from a motor vehicle; and

5-20 (2) is not a person who is authorized under Subsection  
5-21 (b) to possess the catalytic converter.

5-22 (b) A person is presumed to be authorized to possess a  
5-23 catalytic converter that has been removed from a motor vehicle if  
5-24 the person:

5-25 (1) is the owner, as defined by Section 601.002,  
5-26 Transportation Code, of the vehicle from which the catalytic  
5-27 converter was removed; or

5-28 (2) possesses the catalytic converter in the ordinary  
5-29 course of the person's business, including in the ordinary course  
5-30 of business of an entity described by Section 1956.123(1),  
5-31 Occupations Code.

5-32 (c) The presumption established under Subsection (b) does  
5-33 not apply to a person described by Subsection (b)(2) who knows that  
5-34 the catalytic converter was unlawfully removed from a motor vehicle  
5-35 or otherwise unlawfully obtained.

5-36 (d) Except as provided by Subsection (e), an offense under  
5-37 this section is a state jail felony.

5-38 (e) An offense under this section is a felony of the third  
5-39 degree if it is shown on the trial of the offense that the person:

5-40 (1) has been previously convicted of an offense under  
5-41 this section;

5-42 (2) in connection with the offense, engaged in conduct  
5-43 constituting conspiracy under Section 15.02 to commit an offense  
5-44 under Section 28.03 or 31.03 with respect to a catalytic converter;  
5-45 or

5-46 (3) possessed a firearm during the commission of the  
5-47 offense.

5-48 (f) If conduct constituting an offense under this section  
5-49 also constitutes an offense under any other law, the actor may be  
5-50 prosecuted under this section, the other law, or both.

5-51 SECTION 2.05. Section 71.02(a), Penal Code, is amended to  
5-52 read as follows:

5-53 (a) A person commits an offense if, with the intent to  
5-54 establish, maintain, or participate in a combination or in the  
5-55 profits of a combination or as a member of a criminal street gang,  
5-56 the person commits or conspires to commit one or more of the  
5-57 following:

5-58 (1) murder, capital murder, arson, aggravated  
5-59 robbery, robbery, burglary, theft, aggravated kidnapping,  
5-60 kidnapping, aggravated assault, aggravated sexual assault, sexual  
5-61 assault, continuous sexual abuse of young child or disabled  
5-62 individual, solicitation of a minor, forgery, deadly conduct,  
5-63 assault punishable as a Class A misdemeanor, burglary of a motor  
5-64 vehicle, or unauthorized use of a motor vehicle;

5-65 (2) any gambling offense punishable as a Class A  
5-66 misdemeanor;

5-67 (3) promotion of prostitution, aggravated promotion  
5-68 of prostitution, or compelling prostitution;

5-69 (4) unlawful manufacture, transportation, repair, or

6-1 sale of firearms or prohibited weapons;  
 6-2 (5) unlawful manufacture, delivery, dispensation, or  
 6-3 distribution of a controlled substance or dangerous drug, or  
 6-4 unlawful possession of a controlled substance or dangerous drug  
 6-5 through forgery, fraud, misrepresentation, or deception;  
 6-6 (5-a) causing the unlawful delivery, dispensation, or  
 6-7 distribution of a controlled substance or dangerous drug in  
 6-8 violation of Subtitle B, Title 3, Occupations Code;  
 6-9 (6) any unlawful wholesale promotion or possession of  
 6-10 any obscene material or obscene device with the intent to wholesale  
 6-11 promote the same;  
 6-12 (7) any offense under Subchapter B, Chapter 43,  
 6-13 depicting or involving conduct by or directed toward a child  
 6-14 younger than 18 years of age;  
 6-15 (8) any felony offense under Chapter 32;  
 6-16 (9) any offense under Chapter 36;  
 6-17 (10) any offense under Chapter 34, 35, or 35A;  
 6-18 (11) any offense under Section 37.11(a);  
 6-19 (12) any offense under Chapter 20A;  
 6-20 (13) any offense under Section 37.10;  
 6-21 (14) any offense under Section 38.06, 38.07, 38.09, or  
 6-22 38.11;  
 6-23 (15) any offense under Section 42.10;  
 6-24 (16) any offense under Section 46.06(a)(1) or 46.14;  
 6-25 (17) any offense under Section 20.05 or 20.06;  
 6-26 (18) any offense under Section 16.02; [~~or~~]  
 6-27 (19) an offense under Section 28.03 that is punishable  
 6-28 under Subsection (b)(4)(E) of that section;  
 6-29 (20) an offense under Section 31.21 that is punishable  
 6-30 under Subsection (d) of that section; or  
 6-31 (21) any offense classified as a felony under the Tax  
 6-32 Code.

ARTICLE 3. REGULATORY PROVISIONS

6-34 SECTION 3.01. Section 1956.001, Occupations Code, is  
 6-35 amended by amending Subdivision (6-b) and adding Subdivision (6-c)  
 6-36 to read as follows:

6-37 (6-b) "Fixed location" means a structure or facility  
 6-38 that:  
 6-39 (A) is attached to real property;  
 6-40 (B) has a fixed geographic location with a  
 6-41 physical address; and  
 6-42 (C) is used wholly or partly to conduct an  
 6-43 activity described by Subdivision (7).

6-44 (6-c) "Lead material" means:  
 6-45 (A) a commercial grade lead battery, lead-acid  
 6-46 battery, or spiral cell battery; or  
 6-47 (B) a material or an item readily identifiable as  
 6-48 being made of or containing lead.

6-49 SECTION 3.02. Section 1956.016, Occupations Code, is  
 6-50 amended to read as follows:

6-51 Sec. 1956.016. REGISTRATION DATABASE. The department shall  
 6-52 make available on its Internet website a publicly accessible list  
 6-53 of all registered metal recycling entities. The list must contain  
 6-54 the following for each registered metal recycling entity:

6-55 (1) the entity's name;  
 6-56 (2) the entity's physical address; [~~and~~]  
 6-57 (3) the name of and contact information for a  
 6-58 representative of the entity; and  
 6-59 (4) a description of the extent to which the entity  
 6-60 engages in transactions involving catalytic converters based on the  
 6-61 entity's most recent declaration submitted under Section  
 6-62 1956.022(a) or 1956.127, as applicable.

6-63 SECTION 3.03. Section 1956.017(b), Occupations Code, is  
 6-64 amended to read as follows:

6-65 (b) The advisory committee consists of 15 members appointed  
 6-66 by the director as follows:  
 6-67 (1) one representative of the department;  
 6-68 (2) two representatives of local law enforcement  
 6-69 agencies located in different municipalities, each with a

- 7-1 population of 500,000 or more;
- 7-2 (3) two representatives of local law enforcement
- 7-3 agencies located in different municipalities, each with a
- 7-4 population of 200,000 or more but less than 500,000;
- 7-5 (4) one representative of a local law enforcement
- 7-6 agency located in a municipality with a population of less than
- 7-7 200,000;
- 7-8 (5) five representatives of metal recycling entities,
- 7-9 at least one of whom must have substantial business experience with
- 7-10 transactions involving the purchase or acquisition of catalytic
- 7-11 converters;
- 7-12 (6) two members who represent industries that are
- 7-13 impacted by theft of regulated material;
- 7-14 (7) one sheriff of a county with a population of
- 7-15 500,000 or more; and
- 7-16 (8) one sheriff of a county with a population of less
- 7-17 than 500,000.

7-18 SECTION 3.04. Section 1956.022, Occupations Code, is

7-19 amended to read as follows:

7-20 Sec. 1956.022. ISSUANCE OF CERTIFICATE; QUALIFICATIONS.

7-21 (a) The department shall issue a certificate of registration to an

7-22 applicant who:

- 7-23 (1) applies and pays a registration fee; ~~and~~
- 7-24 (2) presents any relevant evidence relating to the
- 7-25 applicant's qualifications as required by commission rule; and
- 7-26 (3) submits a declaration describing the extent to
- 7-27 which the applicant intends to engage in transactions involving
- 7-28 catalytic converters removed from motor vehicles in the course of
- 7-29 the applicant's business activity.

7-30 (a-1) If the applicant's business activity involves

7-31 catalytic converters removed from motor vehicles, the declaration

7-32 described by Subsection (a)(3) must state:

- 7-33 (1) whether the applicant will engage in a business
- 7-34 activity described by Section 1956.001(7)(A) or (B) with respect to
- 7-35 catalytic converters removed from motor vehicles;
- 7-36 (2) whether the applicant will engage in a business
- 7-37 activity described by Section 1956.001(7)(C) but not a business
- 7-38 activity described by Section 1956.001(7)(A) or (B), with respect
- 7-39 to catalytic converters removed from motor vehicles; or
- 7-40 (3) that the applicant will deal only incidentally
- 7-41 with catalytic converters removed from motor vehicles.

7-42 (b) The commission by rule may establish qualifications for

7-43 the holder of a certificate of registration under this chapter,

7-44 which may include accepting copies of a license or permit issued by

7-45 a county or municipality authorizing a metal recycling entity to

7-46 conduct business in that county or municipality. The

7-47 qualifications may differ for a holder of a certificate of

7-48 registration under this chapter based on the extent to which the

7-49 person engages in transactions involving catalytic converters

7-50 removed from motor vehicles as stated on the person's declaration

7-51 submitted under Subsection (a).

7-52 SECTION 3.05. Section 1956.024(a), Occupations Code, is

7-53 amended to read as follows:

7-54 (a) To renew a certificate of registration, a person must:

- 7-55 (1) submit an application for renewal in the manner
- 7-56 prescribed by the department; and
- 7-57 (2) update the person's declaration submitted under
- 7-58 Section 1956.022(a).

7-59 SECTION 3.06. Chapter 1956, Occupations Code, is amended by

7-60 adding Subchapter C-1 to read as follows:

7-61 SUBCHAPTER C-1. CERTAIN TRANSACTIONS INVOLVING CATALYTIC

7-62 CONVERTERS REMOVED FROM MOTOR VEHICLES

7-63 Sec. 1956.121. DEFINITION. In this subchapter, "motor

7-64 vehicle" has the meaning assigned by Section 541.201,

7-65 Transportation Code.

7-66 Sec. 1956.122. APPLICABILITY; EFFECT OF LAW. (a)

7-67 Notwithstanding any other provision of this chapter, this

7-68 subchapter applies to the purchase or acquisition, from a person

7-69 described by Section 1956.002(1), of a catalytic converter removed

8-1 from a motor vehicle.

8-2 (b) This subchapter does not affect any requirement under  
8-3 Subchapter A-3, including any requirement applicable to the  
8-4 purchase or acquisition of a catalytic converter removed from a  
8-5 motor vehicle from a person not described by Section 1956.002(1).

8-6 Sec. 1956.123. LIMITATION ON PURCHASING OR OTHERWISE  
8-7 ACQUIRING CATALYTIC CONVERTERS. A metal recycling entity may not  
8-8 purchase or otherwise acquire a catalytic converter that was  
8-9 removed from a motor vehicle from a person described by Section  
8-10 1956.002(1), unless each of the following is satisfied:

8-11 (1) the person selling the catalytic converter to the  
8-12 metal recycling entity acquired it in the ordinary course of the  
8-13 person's business, including in the ordinary course of business of  
8-14 any of the following entities:

8-15 (A) an automotive wrecking and salvage yard as  
8-16 defined by Section 234.001, Local Government Code;

8-17 (B) a metal recycling entity registered under  
8-18 this chapter;

8-19 (C) a manufacturer, distributor, converter, or  
8-20 dealer licensed under Chapter 2301, including any department of a  
8-21 dealer or converter that repairs or services motor vehicles;

8-22 (D) a vehicle storage facility licensed under  
8-23 Chapter 2303;

8-24 (E) a shop or garage that is engaged in the  
8-25 business of repairing motor vehicles;

8-26 (F) a used automotive parts recycler licensed  
8-27 under Chapter 2309;

8-28 (G) the National Insurance Crime Bureau;

8-29 (H) a motor vehicle demolisher as defined by  
8-30 Section 683.001, Transportation Code;

8-31 (I) a school or training program in which  
8-32 students are provided instruction on building, repairing, or  
8-33 restoring motor vehicles;

8-34 (J) a law enforcement agency;

8-35 (K) a business that is:

8-36 (i) located in and regulated by another  
8-37 state or a political subdivision of another state; and

8-38 (ii) engaged in an activity for which a  
8-39 business described by Paragraphs (A) through (J) is regulated by  
8-40 this state or a political subdivision of this state; or

8-41 (L) a business that is located in a jurisdiction  
8-42 outside the United States and operated in a business form  
8-43 recognized by the laws of that jurisdiction and that imports  
8-44 catalytic converters into the United States in accordance with the  
8-45 Harmonized Tariff Schedule of the United States published by the  
8-46 United States International Trade Commission; and

8-47 (2) any individual acting on behalf of the person  
8-48 described by Subdivision (1) has the apparent authority to enter  
8-49 into the transaction and is acting in the scope of that authority,  
8-50 regardless of whether the individual is a principal, employee, or  
8-51 independent contractor.

8-52 Sec. 1956.124. CERTAIN RECORDS REQUIRED WHEN PURCHASING OR  
8-53 OTHERWISE ACQUIRING CATALYTIC CONVERTER; OFFENSE. (a) A metal  
8-54 recycling entity shall maintain an accurate record of each  
8-55 transaction in which the entity purchases or otherwise acquires a  
8-56 catalytic converter that is removed from a motor vehicle from a  
8-57 person described by Section 1956.123.

8-58 (b) A record meets the requirements of Subsection (a) if it  
8-59 contains:

8-60 (1) a description made in accordance with the custom  
8-61 of the trade for the volume of catalytic converters purchased or  
8-62 otherwise acquired;

8-63 (2) the business name of the person from whom the  
8-64 catalytic converters were purchased or otherwise acquired; and

8-65 (3) the date of the transaction.

8-66 (c) A metal recycling entity shall preserve each record  
8-67 required by this section until the second anniversary of the date  
8-68 the record was made. The records must be maintained in an easily  
8-69 retrievable format and must be available for inspection as provided



9-1 by Section 1956.125 not later than 72 hours after the time of  
 9-2 purchase or acquisition.

9-3 (d) A record containing the information described by  
 9-4 Subsection (b) that is maintained in accordance with other law or as  
 9-5 a routine business practice satisfies the requirements of  
 9-6 Subsection (a).

9-7 (e) A metal recycling entity commits an offense if the  
 9-8 entity intentionally or knowingly fails to maintain a record as  
 9-9 required by this section. An offense under this subsection is a  
 9-10 Class A misdemeanor.

9-11 Sec. 1956.125. INSPECTION OF RECORDS. On request, a metal  
 9-12 recycling entity shall permit a peace officer, a representative of  
 9-13 the department, or a representative of a county, municipality, or  
 9-14 other political subdivision that issues a license or permit under  
 9-15 Section 1956.003(b) to, during the entity's usual business hours:

9-16 (1) enter the premises of the entity; and

9-17 (2) inspect a record required to be maintained by  
 9-18 Section 1956.124.

9-19 Sec. 1956.126. EFFECT ON LOCAL LAW. (a) Notwithstanding  
 9-20 Section 1956.003, a county, municipality, or political subdivision  
 9-21 of this state may not:

9-22 (1) with respect to a catalytic converter removed from  
 9-23 a motor vehicle, restrict the purchase, acquisition, sale,  
 9-24 transfer, or possession of the catalytic converter by a person  
 9-25 described by Section 1956.123; or

9-26 (2) alter or add to the recordkeeping requirements  
 9-27 provided by Section 1956.124.

9-28 (b) Subsection (a) does not affect the authority of a  
 9-29 county, municipality, or political subdivision of this state to:

9-30 (1) issue a license or permit as provided by Section  
 9-31 1956.003; or

9-32 (2) inspect a record as provided by Section 1956.125.

9-33 Sec. 1956.127. DECLARATION UPDATE. If the business  
 9-34 activity of a metal recycling entity substantially changes in the  
 9-35 extent to which the entity engages in transactions involving  
 9-36 catalytic converters removed from motor vehicles, the entity shall  
 9-37 update the entity's declaration submitted under Section 1956.022.

9-38 Sec. 1956.128. ADMINISTRATIVE PENALTY. (a) The commission  
 9-39 may impose an administrative penalty under Subchapter R, Chapter  
 9-40 411, Government Code, on a metal recycling entity that:

9-41 (1) violates Section 1956.123 due to the entity's  
 9-42 failure to exercise due diligence in purchasing or acquiring a  
 9-43 catalytic converter removed from a motor vehicle; or

9-44 (2) violates Section 1956.124.

9-45 (b) The amount of the administrative penalty may not exceed  
 9-46 \$10,000.

9-47 SECTION 3.07. Subchapter A, Chapter 2305, Occupations Code,  
 9-48 is amended by adding Section 2305.0041 to read as follows:

9-49 Sec. 2305.0041. LIMITATION ON BUYING AND SELLING CATALYTIC  
 9-50 CONVERTERS. A person subject to this subchapter may not buy or sell  
 9-51 a catalytic converter removed from a motor vehicle unless the  
 9-52 catalytic converter was removed from the motor vehicle in  
 9-53 connection with the person's repair of the vehicle.

9-54 SECTION 3.08. The heading to Section 2305.0051, Occupations  
 9-55 Code, is amended to read as follows:

9-56 Sec. 2305.0051. REPAIR RECORDS RELATED TO CATALYTIC  
 9-57 CONVERTERS.

9-58 SECTION 3.09. Section 2305.0051(a), Occupations Code, is  
 9-59 amended to read as follows:

9-60 (a) The owner of a garage or repair shop that sells or  
 9-61 transfers to any person, including a metal recycling entity  
 9-62 registered under Chapter 1956, a catalytic converter that was [the  
 9-63 person] removed in connection with a motor vehicle repair shall  
 9-64 maintain a record of all repairs for the vehicle that includes:

9-65 (1) the name and address of the vehicle's owner; [and]

9-66 (2) the vehicle identification number of the vehicle;

9-67 and

9-68 (3) copies of all related invoices including, as  
 9-69 applicable, a notation that a catalytic converter was removed from

10-1 the vehicle.

10-2 SECTION 3.10. Section 2305.101(c), Occupations Code, is  
10-3 amended to read as follows:

10-4 (c) An offense under this chapter that consists of the  
10-5 violation of Section 2305.0041, 2305.0051, or 2305.007 is a Class A  
10-6 misdemeanor.

10-7 SECTION 3.11. Chapter 2305, Occupations Code, is amended by  
10-8 adding Subchapter D to read as follows:

10-9 SUBCHAPTER D. RECORDS OF CERTAIN SALES OR TRANSFERS OF CATALYTIC  
10-10 CONVERTERS REMOVED FROM MOTOR VEHICLES

10-11 Sec. 2305.151. DEFINITION. In this subchapter, "catalytic  
10-12 converter" has the meaning assigned by Section 1956.001.

10-13 Sec. 2305.152. APPLICABILITY. This subchapter applies only  
10-14 to a person described by Section 1956.123(1)(A) through (J).

10-15 Sec. 2305.153. RECORD REQUIRED. (a) A person to whom this  
10-16 subchapter applies shall, for each transaction in which the person  
10-17 sells or transfers to another person a catalytic converter that is  
10-18 removed from a motor vehicle, maintain an accurate record of the  
10-19 transaction until the second anniversary of the date of the  
10-20 transaction.

10-21 (b) A record is sufficient to meet the requirements of  
10-22 Subsection (a) if it contains:

10-23 (1) a description made in accordance with the custom  
10-24 of the trade for the volume of catalytic converters sold or  
10-25 transferred;

10-26 (2) the name of the person to whom the catalytic  
10-27 converters were sold or transferred; and

10-28 (3) the date of the transaction.

10-29 (c) A record containing the information described by  
10-30 Subsection (b) that is maintained in accordance with other law or as  
10-31 a routine business practice satisfies the requirements of  
10-32 Subsection (a).

10-33 Sec. 2305.154. OFFENSE: FAILURE TO MAINTAIN RECORD. (a) A  
10-34 person commits an offense if the person intentionally or knowingly  
10-35 fails to maintain a record as required by Section 2305.153.

10-36 (b) An offense under this section is a Class A misdemeanor.

10-37 (c) If conduct that constitutes an offense under this  
10-38 section also constitutes an offense under another provision of this  
10-39 chapter, the person may be prosecuted only under this section.

10-40 Sec. 2305.155. INSPECTION OF CERTAIN RECORDS. (a) In this  
10-41 section, "licensing authority" and "occupational license" have the  
10-42 meanings assigned by Section 58.001.

10-43 (b) If an occupational license is required for a person to  
10-44 engage in a business or occupation described by Section  
10-45 1956.123(1)(A) through (J), the licensing authority that issues the  
10-46 occupational license may at a reasonable time:

10-47 (1) enter the premises at which the person engages in  
10-48 the regulated business or occupation; and

10-49 (2) inspect the records or information required to be  
10-50 maintained under Section 2305.153.

10-51 (c) Regardless of whether an occupational license is  
10-52 required, an officer of the Department of Public Safety or another  
10-53 peace officer may enter the premises of and inspect the records of a  
10-54 person described by Section 1956.123(1)(A) through (J), as provided  
10-55 by Subsection (b).

10-56 SECTION 3.12. Section 1006.001(2), Transportation Code, is  
10-57 amended to read as follows:

10-58 (2) "Economic motor vehicle theft" means motor vehicle  
10-59 burglary or theft, including theft of a catalytic converter  
10-60 attached to a motor vehicle, committed for financial gain.

10-61 SECTION 3.13. Sections 1006.153(b) and (e), Transportation  
10-62 Code, are amended to read as follows:

10-63 (b) An insurer shall pay to the authority a fee equal to \$5  
10-64 [~~\$4~~] multiplied by the total number of motor vehicle years of  
10-65 insurance for insurance policies delivered, issued for delivery, or  
10-66 renewed by the insurer. The fee shall be paid not later than:

10-67 (1) March 1 of each year for a policy delivered,  
10-68 issued, or renewed from July 1 through December 31 of the previous  
10-69 calendar year; and

11-1 (2) August 1 of each year for a policy delivered,  
11-2 issued, or renewed from January 1 through June 30 of that year.

11-3 (e) Out of each fee collected under Subsection (b), \$1 shall  
11-4 be deposited to the credit of the general revenue fund to be used  
11-5 only for coordinated regulatory and law enforcement activities  
11-6 intended to detect and prevent catalytic converter theft in this  
11-7 state. The remainder of each fee collected under Subsection (b) and  
11-8 any [or an] amount collected under Subsection (b-1) shall be  
11-9 allocated as follows:

11-10 (1) 20 percent shall be appropriated to the authority  
11-11 for the purposes of this chapter;

11-12 (2) 20 percent shall be deposited to the credit of the  
11-13 general revenue fund, to be used only for criminal justice  
11-14 purposes; and

11-15 (3) 60 percent shall be deposited to the credit of the  
11-16 designated trauma facility and emergency medical services account  
11-17 under Section 780.003, Health and Safety Code, to be used only for  
11-18 the criminal justice purpose of funding designated trauma  
11-19 facilities, county and regional emergency medical services, and  
11-20 trauma care systems that provide trauma care and emergency medical  
11-21 services to victims of accidents resulting from traffic offenses.

11-22 ARTICLE 4. TRANSITIONS

11-23 SECTION 4.01. The change in law made by this Act to Section  
11-24 1956.017, Occupations Code, does not affect the entitlement of a  
11-25 member serving on the advisory committee established under that  
11-26 section immediately before the effective date of this Act to  
11-27 continue to serve for the remainder of the member's term. As the  
11-28 terms of members expire after the effective date of this Act, the  
11-29 director of the Department of Public Safety shall appoint or  
11-30 reappoint members who have the qualifications required by that  
11-31 section.

11-32 SECTION 4.02. Not later than October 1, 2023, a metal  
11-33 recycling entity registered under Chapter 1956, Occupations Code,  
11-34 shall submit a declaration described by Section 1956.022(a)(3), as  
11-35 added by this Act, to the Department of Public Safety.

11-36 SECTION 4.03. As soon as practicable after the effective  
11-37 date of this Act, the Department of Public Safety shall adopt rules  
11-38 necessary to implement the changes in law made by this Act to  
11-39 Chapter 1956, Occupations Code.

11-40 SECTION 4.04. The changes in law made by this Act to  
11-41 Sections 28.03, 31.03, and 71.02, Penal Code, apply only to an  
11-42 offense committed on or after the effective date of this Act. An  
11-43 offense committed before the effective date of this Act is governed  
11-44 by the law in effect on the date the offense was committed, and the  
11-45 former law is continued in effect for that purpose. For purposes  
11-46 of this section, an offense was committed before the effective date  
11-47 of this Act if any element of the offense occurred before that date.

11-48 SECTION 4.05. Section 1006.153, Transportation Code, as  
11-49 amended by this Act, applies only to a fee due on or after the  
11-50 effective date of this Act. A fee due before the effective date of  
11-51 this Act is governed by the law in effect on the date the fee was  
11-52 due, and the former law is continued in effect for that purpose.

11-53 ARTICLE 5. COORDINATION OF STATE AGENCIES TO DETECT AND PREVENT  
11-54 THEFT OF CATALYTIC CONVERTERS

11-55 SECTION 5.01. (a) Not later than January 1, 2024, the  
11-56 Department of Public Safety, the Texas Department of Licensing and  
11-57 Regulation, the Texas Department of Motor Vehicles, and the Motor  
11-58 Vehicle Crime Prevention Authority shall develop and implement a  
11-59 plan to coordinate their efforts to:

11-60 (1) review the records of persons regulated by each  
11-61 agency involving the purchase, acquisition, sale, or transfer of  
11-62 catalytic converters removed from motor vehicles; and

11-63 (2) respond to suspicious activities that may be  
11-64 detected through the analysis of the records described by  
11-65 Subdivision (1) of this subsection.

11-66 (b) The agencies listed in Subsection (a) of this section  
11-67 shall jointly establish a task force composed of persons regulated  
11-68 by the agencies who have substantial business experience in  
11-69 transactions involving catalytic converters. The agencies shall

12-1 develop the plan described by Subsection (a) of this section with  
12-2 the participation of the task force.

12-3 (c) Except as provided by this subsection, each agency may  
12-4 appoint members to the task force as that agency determines  
12-5 appropriate. If any of the agencies has a relevant advisory  
12-6 committee that is tasked with assisting the agency, the agency may  
12-7 only appoint a member of the agency's advisory committee to the task  
12-8 force.

12-9 (d) In developing and implementing the plan, the agencies  
12-10 shall focus on:

12-11 (1) protecting each step in the legitimate stream of  
12-12 commerce that begins with the removal of a catalytic converter from  
12-13 a motor vehicle and includes recycling those catalytic converters  
12-14 to ensure that the persons regulated by the agencies are not the  
12-15 means for inserting stolen catalytic converters into the stream of  
12-16 commerce; and

12-17 (2) providing risk-based targeting and random  
12-18 auditing of the records of the persons regulated by the agencies.

12-19 (e) The money deposited to the credit of the general revenue  
12-20 fund for coordinated regulatory and law enforcement activities  
12-21 intended to detect and prevent catalytic converter theft in this  
12-22 state as described by Section 1006.153(e), Transportation Code, as  
12-23 amended by this Act, may be appropriated to the agencies listed in  
12-24 Subsection (a) of this section for the activities required by this  
12-25 section.

ARTICLE 6. EFFECTIVE DATE

12-26 SECTION 6.01. (a) Except as provided by this section, this  
12-27 Act takes effect September 1, 2023.

12-28 (b) Section 1956.001(6-b), Occupations Code, as amended by  
12-29 this Act, takes effect January 1, 2024.  
12-30

12-31 \* \* \* \* \*