

## **BILL ANALYSIS**

H.B. 4110  
By: Leach  
Homeland Security & Public Safety  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

There have been calls for the state to increase regulation of the sale of catalytic converters to metal recycling entities to increase transparency regarding the nature of these transactions and decrease potential illicit activity. H.B. 4110 seeks to answer these calls and increase record keeping requirements for transactions involving catalytic converters; implement a five-day holding period before a catalytic converter may be disposed of, processed, sold, or removed from the premises following its purchase; and increase certain criminal penalties.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill expressly does one or more of the following: creates a criminal offense, increases the punishment for an existing criminal offense or category of offenses, or changes the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Public Safety Commission in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 4110 amends the Occupations Code to require a person attempting to sell a catalytic converter to a metal recycling entity to provide the following information to that entity:

- the year, make, model, and vehicle identification number for the vehicle from which the catalytic converter was removed; and
- a copy of the certificate of title or other documentation indicating that the person has an ownership interest in that vehicle.

The bill prohibits a metal recycling entity from purchasing a catalytic converter from a seller who does not provide that information or from purchasing a catalytic converter without determining that it is consistent with the manufacturer's specifications for a catalytic converter from the vehicle for which the seller provided information. The bill requires the entity to mark each catalytic converter it purchases with a unique number in the manner prescribed by rule by the Public Safety Commission. These provisions are additional to the verification and documentation requirements applicable to a person attempting to sell any regulated material to a metal recycling entity.

H.B. 4110 requires a metal recycling entity to keep an accurate record, as specified by the bill, of each purchase of a catalytic converter made in the course of the entity's business. The bill subjects a record of the entity's purchase of a catalytic converter to the same requirements as a purchase record for another regulated material with respect to the record's preservation, format, and availability for inspection and the entity's responsibility to send a certain electronic transaction report to the Department of Public Safety.

H.B. 4110 requires the record of purchases of regulated material maintained by a metal recycling entity to include a clear and legible thumbprint of each seller. If the regulated metal purchased is a catalytic converter, the digital photograph or video recording made of the seller's entire face and the regulated material purchased must accurately depict each open end and all sides of the catalytic converter. The bill prohibits the entity from paying a seller more than \$25 in cash for a purchase of regulated metal.

H.B. 4110 prohibits a metal recycling entity from disposing of, processing, selling, or removing a catalytic converter from the premises prior to the sixth day after having acquired it, excluding weekends and holidays.

H.B. 4110 requires the owner of a garage or repair shop that sells to a metal recycling entity a catalytic converter that the person removed in connection with a motor vehicle repair to maintain a record of all repairs for the vehicle, including the name and address of the vehicle's owner and copies of all related invoices. The bill requires the garage or shop to keep all such records until at least the second anniversary of the date of the repair.

H.B. 4110 increases the penalty for the following conduct from a Class A misdemeanor to a state jail felony:

- in connection with the attempted sale of regulated material to a metal recycling entity, engaging in certain prohibited acts regarding the display of certain false or invalid information or making false, material statements or representations with the intent to deceive;
- engaging in certain prohibited acts regarding the manner in which regulated material is paid for;
- knowingly buying stolen regulated material; or
- knowingly buying insulated communications wire that has been burned wholly or partly to remove the insulation without acceptable documentation that the material was salvaged from a fire.

The bill increases the respective penalty enhancements for such conduct to a third degree felony to reflect the increase in base penalty.

#### **EFFECTIVE DATE**

September 1, 2021.