

- SUBJECT:** Regulating the sale of catalytic converters to metal recycling entities
- COMMITTEE:** Homeland Security and Public Safety — favorable, without amendment
- VOTE:** 9 ayes — White, Bowers, Goodwin, Harless, Hefner, E. Morales, Patterson, Schaefer, Tinderholt
- 0 nays
- WITNESSES:** For — Laird Doran, Gulf States Toyota; Brian Redburn, Irving Police Department; (*Registered, but did not testify:* T.J. Patterson, City of Fort Worth; Jon Weist, City of Irving; Frederick Frazier, Dallas Police Association/FOP716 State FOP Director; James Parnell, Dallas Police Association; Ashley Morgan, EAN Holdings LLC; Jessica Anderson, Houston Police Department; Ray Hunt, HPOU; Trent Townsend, North Texas Automobile Dealers; Brian Hawthorne, Sheriffs Association of Texas; Darren Whitehurst, Texas Automobile Dealers Association; John Wilkerson, Texas Municipal Police Association; Lori McMahon, Toyota Motor North America; Ina Minjarez)
- Against — (*Registered, but did not testify:* Richard Clark; Julie Gilberg)
- On — John Pitts Jr, Recycling Council of Texas; Jason Hester, Texas Department of Public Safety; (*Registered, but did not testify:* Thomas Parkinson)
- BACKGROUND:** Interested parties have called for the state to increase regulation of the sale of catalytic converters to metal recycling entities to increase transparency regarding these transactions and decrease related illicit activity.
- DIGEST:** HB 4110 would require a person attempting to sell a catalytic converter to a metal recycling entity to provide to the entity the year, make, model, and identification number for the vehicle from which the converter was removed and a copy of the title certificate or other documentation that the person had an ownership interest in the vehicle.

A metal recycling entity could not purchase a catalytic converter from a seller who did not comply with these requirements. Such an entity also could not purchase a catalytic converter unless the entity determined that the converter was consistent with the manufacturer's specifications for the vehicle for which the seller provided the required information.

The metal recycling entity would be required to mark each catalytic converter it purchased with a unique number and keep an accurate record in English of each purchase of a converter. This record would have to include the unique number of each converter, the vehicle information provided by the seller, and other information as specified by the bill. This record would be subject to the same requirements related to preservation, availability for inspection by certain public officials, and inclusion in a report to be delivered to the Department of Public Safety, of a purchase record for another material regulated under statute governing metal recycling entities.

The bill would add a clear and legible thumbprint of the seller to the information required to be included in the record of purchases of a regulated material kept by metal recycling entities. For a purchase of a catalytic converter, the required digital photograph or video recording accurately depicting the seller's entire face and each type of regulated metal purchased would have to also depict each open end and all sides of the converter.

A metal recycling entity would be allowed to dispose of, process, sell, or remove from its premises a catalytic converter only if the entity had acquired the converter more than five business days before disposal, processing, sale, or removal.

HB 4110 would require the owner of a garage or repair shop that sold to a registered metal recycling entity a catalytic converter removed in connection with a motor vehicle repair to maintain a record of all repairs for the vehicle that included the name and address of the vehicle's owner and copies of all related invoices. This record would have to be kept until at least the second anniversary of the date of the repair.

The bill would enhance certain criminal penalties for providing false information to a metal recycling entity, knowingly purchasing stolen regulated material, and other related offenses from class A misdemeanors (up to one year in jail and/or a maximum fine of \$4,000) to state-jail felonies (180 days to two years in a state jail and an optional fine of up to \$10,000). The bill also would enhance the penalty for repeat offenses from state jail felonies to third-degree felonies (two to 10 years in prison and an optional fine of up to \$10,000).

The bill would take effect September 1, 2021, and would apply only to an offense committed entirely on or after that date.