

BILL ANALYSIS

Senate Research Center
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S.B. 465
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Criminal Justice
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since 2019, there has been a 5,300 percent increase in catalytic converter theft insurance claims in Texas. The spike is fueled by organized criminal rings that target catalytic converters for the precious metals inside them that are worth more per ounce than gold. Houston Police Chief Troy Finner put out a statement highlighting the double-digit increase in auto thefts in Houston, "The city experienced an increase in property crimes in 2022. Thefts of catalytic converters by an organized crime ring and thefts of firearms not properly secured in vehicles drove up the reported auto theft crimes by 11 percent." This heinous enterprise even led to the death of Harris County Sheriff's Deputy Darren Almendarez last March.

S.B. 465 will help law enforcement and prosecutors across Texas charge and convict criminals targeting catalytic converters. Under S.B. 465, if a person is in possession of a catalytic converter that's been removed from a vehicle, they then have committed a crime unless they are on an approved list of businesses that can legally possess a catalytic converter that's been removed from a vehicle. However, if a person associated with approved businesses knows that the catalytic converter was acquired illegally, they are not protected under this statute and will be charged and prosecuted. Furthermore, S.B. 465 will add organized crime statutes that automatically increases the offense one category higher than the most serious offense listed if the convicted person is linked to organized crime.

As proposed, S.B. 465 amends current law relating to certain criminal conduct involving a catalytic converter, creates a criminal offense, and increases criminal penalties.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 28.03(b), Penal Code, as follows:

(b) Provides that except as provided by Subsections (f) (relating to providing that an offense is a state jail felony if the amount of the pecuniary loss inflicted on certain places is \$750 or more but less than \$30,000) and (h) (relating to providing that an offense is a state jail felony if the amount of the pecuniary loss inflicted on certain educational institutions is \$750 or more but less than \$30,000), an offense under Section 28.03 (Criminal Mischief) is:

(1)-(3) makes no changes to these subdivisions;

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

(A)-(B) makes no changes to these paragraphs;

(C)-(D) makes nonsubstantive changes to these paragraphs; or

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

(5)-(7) makes no change to these subdivisions.

SECTION 2. Amends Section 31.03(e), Penal Code, as follows:

(e) Provides that except as provided by Subsection (f) (relating to providing that an offense described for certain purposes is increased to the next higher category of offense if the actor met certain conditions in the trial of the offense), an offense under Section 31.03 (Theft) is:

(1)-(3) makes no changes to these subdivisions;

(4) a state jail felony if:

(A)-(D) makes no changes to these paragraphs;

(E)-(F) makes nonsubstantive changes to these paragraphs; or

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

(5)-(7) makes no changes to these subdivisions.

SECTION 3. Amends Chapter 31, Penal Code, by adding Section 31.21, as follows:

Sec. 31.21. UNAUTHORIZED POSSESSION OF CATALYTIC CONVERTER. (a) Provides that 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) Provides that 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 (Definitions), Transportation Code, of the vehicle from which the catalytic converter was removed;

(2) possesses the catalytic converter in the ordinary course of the person's business, including:

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

(B) a metal recycling entity registered under Chapter 1956 (Metal Recycling Entities), Occupations Code;

(C) a dealer or converter licensed under Chapter 2301 (Sale or Lease of Motor Vehicles), Occupations Code;

(D) a salvage vehicle dealer licensed under Chapter 2302 (Salvage Vehicle Dealers), Occupations Code, or a salvage pool operator, as defined by Section 2302.001 (Definitions) of that code;

(E) a vehicle storage facility licensed under Chapter 2303 (Vehicle Storage Facilities), Occupations Code;

(F) a garage or shop that is engaged in the business of repairing motor vehicles and subject to Chapter 2305 (Records of Certain Vehicle Repairs, Sales, and Purchases), Occupations Code;

(G) a towing company licensed under Chapter 2308 (Vehicle Towing and Booting), Occupations Code;

(H) a used automotive parts recycler, as defined by Section 2309.002 (Definitions), Occupations Code;

(I) a person who holds a dealer general distinguishing number under Chapter 503 (Dealer's and Manufacturer's Vehicle License Plates), Transportation Code;

(J) a motor vehicle demolisher, as defined by Section 683.001 (Definitions), Transportation Code;

(K) a person located in and regulated by another state, or a political subdivision of another state, in the performance of a business activity for which a person would be regulated in the performance of that activity under a law described in Paragraphs (A) through (J) by this state or a political subdivision of this state;

(L) a person located in a jurisdiction outside of the United States that operates in a business form recognized by the laws of the other jurisdiction and imports catalytic converters into the United States in accordance with the Harmonized Tariff Schedule of the United States International Trade Commission; and

(M) a for-hire carrier, including a person who provides services such as mail, freight, or package delivery by air, water, rail, or surface transportation; or

(3) is an employee of or independent contractor providing services to a person described by Subdivision (2) and possesses the catalytic converter while acting within the course and scope of the person's employment or independent contractor services.

(c) Provides that the presumption established under Subsection (b) does not apply to a person described by Subsection (b)(2) or (3) who knows that the catalytic converter was unlawfully removed from a motor vehicle or otherwise unlawfully obtained.

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

(e) Provides that 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; or

(2) in connection with the offense, engaged in conduct constituting conspiracy under Section 15.02 (Criminal Conspiracy) to commit an offense under Section 28.03 or 31.03 with respect to a catalytic converter.

(f) Authorizes the actor, if conduct constituting an offense under this section also constitutes an offense under any other law, to be prosecuted under this section, the other law, or both.

SECTION 4. Amends Section 71.02(a), Penal Code, as follows:

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

(1)-(17) makes no changes to these subdivisions;

(18) makes a nonsubstantive change to this subdivision;

(19) an offense under Section 28.03 that is punishable under Subsection (b)(4)(E) of that section;

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

(21) makes a nonsubstantive change to this subdivision.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2023.