



Motor Vehicle Crime Prevention Authority

Board Meeting
Kerrville, Texas
June 15, 2023

4000 Jackson Avenue
Austin Texas, 78731
www.txwatchyourcar.com



AGENDA
BOARD MEETING
MOTOR VEHICLE CRIME PREVENTION AUTHORITY
INN OF THE HILLS HOTEL & CONFERENCE CENTER
1001 JUNCTION HIGHWAY
KERRVILLE, TEXAS 78028
THURSDAY, JUNE 15, 2023
8:00 A.M.

Link to June 15, 2023, MVCPA Board Meeting Documents (under Calendar tab):
<https://www.txdmv.gov/about-us/MVCPA>

All agenda items are subject to possible discussion, questions, consideration, and action by the Board of the Motor Vehicle Crime Prevention Authority (Board). Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Board. Presentations may be made by the identified staff, Board member, or other personnel as needed. The Board reserves the right to discuss any items in closed session where authorized by the Open Meetings Act.

- 1. Roll Call and Establishment of Quorum**
- 2. Pledges of Allegiance - U.S. and Texas**
- 3. Chair's Reports - Chairman Rodriquez**
 - A. Approval of Transcript as Minutes (April 19, 2023) (ACTION ITEM)
 - B. Chair's Report
- 4. MVCPA Director's Report - Joe Canady (including designated MVCPA and TxDMV staff) (BRIEFING ONLY)**
 - A. Recognitions
 - B. FY 2024 Budget
 - C. FY 2024 FTEs
- 5. Legislative Update - Keith Yawn and Joe Canady (BRIEFING ONLY)**
- 6. MVCPA Grants Budget and Reporting (GBR) Committee Report - Joe Canady (including Committee Chair and designated staff) (ACTION ITEM)**
 - A. FY 2024 Taskforce Grant Application Recommendation
- 7. Unallowable Grant Expenditures - Joe Canady (ACTION ITEM)**
- 8. Senate Bill 224 - Joe Canady (BRIEFING AND ACTION ITEMS)**
 - A. MVCPA Fee Increase (BRIEFING ITEM)
 - B. Develop and Implement a Plan to Coordinate Efforts with the Texas

Department of Public Safety, Texas Department of Licensing and Regulation, and the Texas Department of Motor Vehicles to Review Records of Persons Regulated by Each Agency involving the Purchase, Acquisition, Sale, or Transfer of Catalytic Converters Removed from Motor Vehicles and Respond to Suspicious Activities That May be Detected through the analysis of records. (ACTION ITEM)

- C. Establish a Task Force Composed of Persons Regulated by the Agencies involving the Purchase, Acquisition, Sale, or Transfer of Catalytic Converters Removed from Motor Vehicles (ACTION ITEM)

9. FY 2024 Taskforce Grant Award and Allocations – Joe Canady (ACTION ITEM)

CLOSED SESSION

10. The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code Chapter 551:

Section 551.071 - Consultation with and advice from legal counsel regarding:

- pending or contemplated litigation, or a settlement offer;
- a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Government Code Chapter 551; or
- any item on this agenda.

Section 551.074 - Personnel matters.

- Discussion relating to the appointment, employment, evaluation, reassignment, duties, discipline, and dismissal of personnel.

Section 551.076 - Deliberation Regarding Security Devices or Security Audits.

- the deployment, or specific occasions for implementation, of security personnel or devices; or
- a security audit.

Section 551.089 - Deliberation Regarding Security Devices or Security Audits.

- security assessments or deployments relating to information resources technology;
- network security information as described by Government Code Section 2059.055(b); or
- the deployment, or specific occasions for implementation, of security personnel, critical infrastructure, or security devices.

11. Action Items from Closed Session

12. Public Comment

13. Adjournment

The Board will allow an open comment period to receive public comment on any agenda item or other matter that is under the jurisdiction of the Board. No action will be taken on matters that are not part of the agenda for the meeting. For subjects that are not otherwise part of the agenda for the meeting, Board members may respond in accordance with Government Code §551.042 and consider the feasibility of placing the matter on the agenda for a future meeting.

If you would like to comment on any agenda item (including an open comment under the agenda item for Public Comment), you must complete a speaker's form at the registration table prior to the agenda item being taken up by the Board.

Public comment will only be accepted in person. Each speaker will be limited to three minutes, and time allotted to one speaker may not be reassigned to another speaker.

Any individual with a disability who plans to attend this meeting and requires auxiliary aids or services should notify the department as far in advance as possible, but no less than two days in advance, so that appropriate arrangements can be made. Contact David Richards by telephone at (512) 465-1423.

I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements.

CERTIFYING OFFICIAL: David Richards, General Counsel, (512) 465-1423.

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Agenda Item: 1

Subject: Roll Call and Establishment of Quorum

	Present
Assistant Chief Mike Rodriguez – Governor Designated Presiding Officer Law Enforcement Representative – Laredo, TX	
Kit Whitehill – Governor Appointed Board Member Insurance Consumer Representative – Coppell, TX	
Rebecca Cantu-Serrano – Governor Appointed Board Member Insurance Consumer Representative – Brownsville, TX	
Charla Brotherton – Governor Appointed Board Member Insurance Writer Representative – Fort Worth, TX	
Dean Smith – Governor Appointed Board Member Insurance Writer Representative – North Richland Hills, TX	
Lieutenant Julio Gonzalez – Committee Chairman - Governor Appointed Board Member Law Enforcement Representative – Dallas, TX	
Major Sharon Jones – Ex Officio Member Designee for the Public Safety Director Texas Department of Public Safety	



Agenda Item: 2

Subject: Pledges of Allegiance – U.S. and Texas



"I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."



To: Motor Vehicle Crime Prevention Authority Board
From: MVCPA Staff
Agenda Item: 3.A
Subject: Approval of Transcripts as Minutes (April 19, 2023)

RECOMMENDATION

Action Item. Motion to approve the transcripts.

PURPOSE AND EXECUTIVE SUMMARY

MVCPA staff emailed the April 19, 2023, Board Meeting Transcripts to all MVCPA board members on June 6, 2023 for review.



To: Motor Vehicle Crime Prevention Authority Board
From: Miguel "Mike" Rodriguez, Motor Vehicle Crime Prevention Authority Presiding Officer
Agenda Item: 3.B
Subject: Chair's Report

RECOMMENDATION

Briefing Only

FINANCIAL IMPACT

N/A

PURPOSE AND EXECUTIVE SUMMARY

Comments from the MVCPA Presiding Officer

BACKGROUND AND DISCUSSION



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Motor Vehicle Crime Prevention Authority Division Director
Agenda Item: 4.A
Subject: Recognitions and Announcements

RECOMMENDATION

Briefing Only

FINANCIAL IMPACT

N/A

PURPOSE AND EXECUTIVE SUMMARY

The MVCPA seeks to provide the Inn of the Hills Hotel and Conference Center recognition and appreciation for providing an excellent location for the FY23 MVCPA Conference.

BACKGROUND AND DISCUSSION

Jana Ibarra and her staff worked tirelessly in the preceding months leading up to the conference to ensure everything was prepared and ready for the MVCPA. Jana and her staff were open to event room changes, food and beverage requests, and room availability to ensure the MVCPA staff, Board, and attendees had the best experience.



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Motor Vehicle Crime Prevention Authority Division Director
Agenda Item: 4.B
Subject: FY24 Budget

RECOMMENDATION

Briefing Only

FINANCIAL IMPACT

See Attached

PURPOSE AND EXECUTIVE SUMMARY

Texas Department of Motor Vehicles (TxDMV) has prepared an FY24 Budget for MVCPA which includes an 65% increase from the FY23 Budget.

BACKGROUND AND DISCUSSION

The 88th Texas Legislature convened in regular session on January 10, 2023, and adjourned on May 29, 2023. The General Appropriations Act (biennial statewide budget) and the supplemental appropriations bill include a Proposed Budget of \$24,190,500 for the MVCPA. Of this amount, \$22,879,972 are available for Grants. This Budget amount does not include appropriations from a contingency rider from SB 224.

Budget Category	Description	2022 Actual Expense	2023 Estimated Expense	FY 2024 Proposed Budget	adjustment	Revised FY2024 budget	Notes
ADVERTISING	Advertising & Promotion	\$ 22,061	\$ 15,000	\$ 152,642		\$ 152,642	Promotional Items
CNTRCT_SVC	Purchased Contract Services	\$ 15,829	\$ 12,500	\$ 22,720	\$ 5,000	\$ 27,720	IAC between MVCPA and CPA \$10K; On The Record Reporting & Transcriptions \$5.5K; outside trainers.
COM_EQ_SW	Computer Equipment Software	\$ 3,963	\$ -	\$ 38,530		\$ 38,530	
CONSUM	Consumable Supplies	\$ 671	\$ 99	\$ 2,500		\$ 2,500	Office Supplies
FEES & CHG	Fees & Other Charges	\$ 1,132	\$ 750	\$ 750		\$ 750	FY22 Trademark Application Fee \$500 & SORM \$632; FY23 & FY24 Workers compensation coverage assessment SORM- \$750.
FREIGHT	Freight	\$ -	\$ -	\$ 11,000	\$ (5,000)	\$ 6,000	
GRANTS	Grants	\$ 12,006,577	\$ 14,225,141	\$ 22,879,372		\$ 22,879,372	Annual Grantee Awards to Counties/Cities/Pass through.
IN_ST_TRV	Travel In-State	\$ 10,671	\$ 13,911	\$ 15,000	\$ 15,000	\$ 30,000	Staff to attend training, conferences and site & monitoring visits
OT_ST_TRV	Travel Out-of-State	\$ 1,193	\$ 1,200	\$ 2,500	\$ 2,500	\$ 5,000	Out Of State Conferences.
MBRSHIP_TR	Memberships & Training	\$ 1,523	\$ 1,560	\$ 3,530	\$ 2,470	\$ 6,000	Association of International Certified Professional Accountants \$550; Institute of Management Accountants \$150; International Association of Auto Theft Investigators \$165; International Association of Chiefs of Police \$600; Texas Association of Auto Theft Investigators \$280; Texas Crime Prevention Association \$30. Miscellaneous Operating Expense; Auto Crime Prevention Brochures- vendor UT at Austin
OTH_EXP	Other Expenses	\$ 4,650	\$ 4,691	\$ 13,737		\$ 13,737	Obtain a contractor to assist insurance collections- \$100k; Creation of training material, conducting training.
PROF_FEES	Professional Fees and Service	\$ -	\$ -	\$ 110,000		\$ 110,000	Hotel Space for MVCPA Conferences.
RENT_BLDG	Rent - Building	\$ 6,344	\$ 4,400	\$ 4,000	\$ 6,000	\$ 10,000	Toshiba Copier Lease.
RENT_M&OTH	Rent - Machine and Other	\$ 3,572	\$ 3,569	\$ 5,204		\$ 5,204	Reprinting for conference material
REPRD_PRT	Reproduction & Printing	\$ 107	\$ -	\$ 57,000	\$ (33,440)	\$ 23,560	SurveyMonkey, Momentive service \$154; Audio/Video Support Services for MVCPA Board Meeting
SERVICES	Services	\$ 9,045	\$ -	\$ 530	\$ 7,470	\$ 8,000	AT&T Mobile Service- 5 hotpots and 2 cellphones.
UTILITIES	Utilities	\$ 3,472	\$ 3,391	\$ 3,509	\$ -	\$ 3,509	
		\$ 12,090,810	\$ 14,286,212	\$ 23,323,124	\$ 49,700,147	\$ 23,323,124	
*FY22 data is current 5/10/2022							
Payroll Budget							
Budget Category	Description	2022 Actual Expense	2023 Estimated Expense	FY 2024 Proposed Budget	adjustment	Revised FY2024 budget	Notes
FEES & CHG	Fees & Other Charges	\$ 3,942	\$ 4,270	\$ 21,548		\$ 21,548	Payroll Health Contribution (1% of salary)
OTHER_PERS	Other Personnel Costs	\$ 46,729	\$ 9,764	\$ 11,152		\$ 11,152	Longevity Projection, and 0.5% Retirement Contribution.
SAL&WAGE	Salaries and Wages	\$ 403,866	\$ 343,772	\$ 834,676		\$ 834,676	Salaries for 11 FTEs
		\$ 454,537	\$ 357,806	\$ 867,376		\$ 867,376	
Budget Category	Description	2022 Actual	2023 Estimated Expense	FY 2024 Proposed Budget	adjustment	Revised FY2024 budget	Notes
		\$ 12,545,347	\$ 14,644,018	\$ 24,190,500	\$ 49,700,147	\$ 24,190,500	Payroll & General Operating Budget Total



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Motor Vehicle Crime Prevention Authority Division Director
Agenda Item: 4.C
Subject: FY24 Full Time Equivalent Employees (FTE)

RECOMMENDATION

Briefing Only

FINANCIAL IMPACT

TBD

PURPOSE AND EXECUTIVE SUMMARY

The current number of FTE's is proposed to increase from five to eleven because of the General Appropriations Act. The number of FTE's is proposed to increase to fifteen total because of the passage of Senate Bill 224.

BACKGROUND AND DISCUSSION

The increase in FTE's will allow MVCPA to have dedicated staff for specific units within the agency:

- Administrative
 - Director
 - Manager
 - Managerial Analyst
 - Administrative Assistance
- Grant Compliance Unit
 - Auditor and Grant Specialists
- Fee Collection Unit
- Public Awareness and Education Unit
- Law Enforcement Training Unit



To: Motor Vehicle Crime Prevention Authority Board
From: Keith Yawn, Government & Strategic Communications Division Director, Chris Hayden, Deputy Chief Financial Officer, Joe Canady, Motor Vehicle Crime Prevention Authority Division Director
Agenda Item: 5
Subject: 88th Legislative Session Update

RECOMMENDATION

Briefing Only

FINANCIAL IMPACT

TBD -Subject to line-item gubernatorial veto.

PURPOSE AND EXECUTIVE SUMMARY

Texas Department of Motor Vehicles (TxDMV) Government and Strategic Communications staff will provide an overview of legislative activity related to MVCPA and department operations from the 88th Regular Legislative Session. Department Financial Administrative Services Division staff will provide an overview on the Fiscal Year 2024-2025 recommended appropriations and decisions by the Conference Committee on House Bill 1 (General Appropriations Act).

BACKGROUND AND DISCUSSION

The 88th Texas Legislature convened in regular session on January 10, 2023, and adjourned on May 29, 2023. Legislators filed more than 8,000 pieces of legislation for consideration by the House and Senate chambers, including the General Appropriations Act (biennial statewide budget) and the supplemental appropriations bill. Department staff tracked more than 500 individual bills, including more than 100 with direct impacts to the department's core operational programs and to MVCPA. Throughout the session, staff served as subject matter experts to House and Senate committees and individual legislators developing final language for legislation.

On May 29, 2023, the 88th Legislature approved an FY 2024-2025 budget of \$653.5 million for the department.

The passed version provides funding for all TxDMV's Exceptional Items, including significant increases for Motor Vehicle Crime Prevention Authority (MVCPA) appropriations and full-time equivalent employee authorizations.



To: Motor Vehicle Crime Prevention Authority Board
From: Julio Gonzalez, Grants, Budget, and Reports Committee Chair / Joe Canady, Director
Agenda Item: 6
Subject: GBR Committee Report on Fiscal Year 2024 Taskforce Grant Application Recommendations

RECOMMENDATION

Action Item. Review and analysis of Fiscal Year 2024 Taskforce Grant Applications and consider recommendations from the GBR committee

PURPOSE AND EXECUTIVE SUMMARY

Review and analysis of Fiscal Year 2024 Taskforce Grant Applications for reasonableness, allowable expenditures, proposed budget amounts, and need of each jurisdiction.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The MVCPA authorized the issuance of the Fiscal Years 2024 and 2025 (FY24-25) Request for Applications (RFA) at its regularly scheduled meeting held on February 22, 2023. MVCPA is authorized in statute to provide grants to local law enforcement to combat motor vehicle theft, burglary from a motor vehicle and/or fraud-related motor vehicle crime. Eligible applicants may request funds for program operation by submission of an application consistent with the information, including the requirements and conditions stated in the RFA. This RFA was posted in the Texas Register as required by law for at least thirty (30) days prior to the due date for Applications.

Twenty-six applications were submitted for FY2024. To be eligible for consideration for funding, a taskforce grant application must have been designed to support one or more of the following MVCPA program categories:

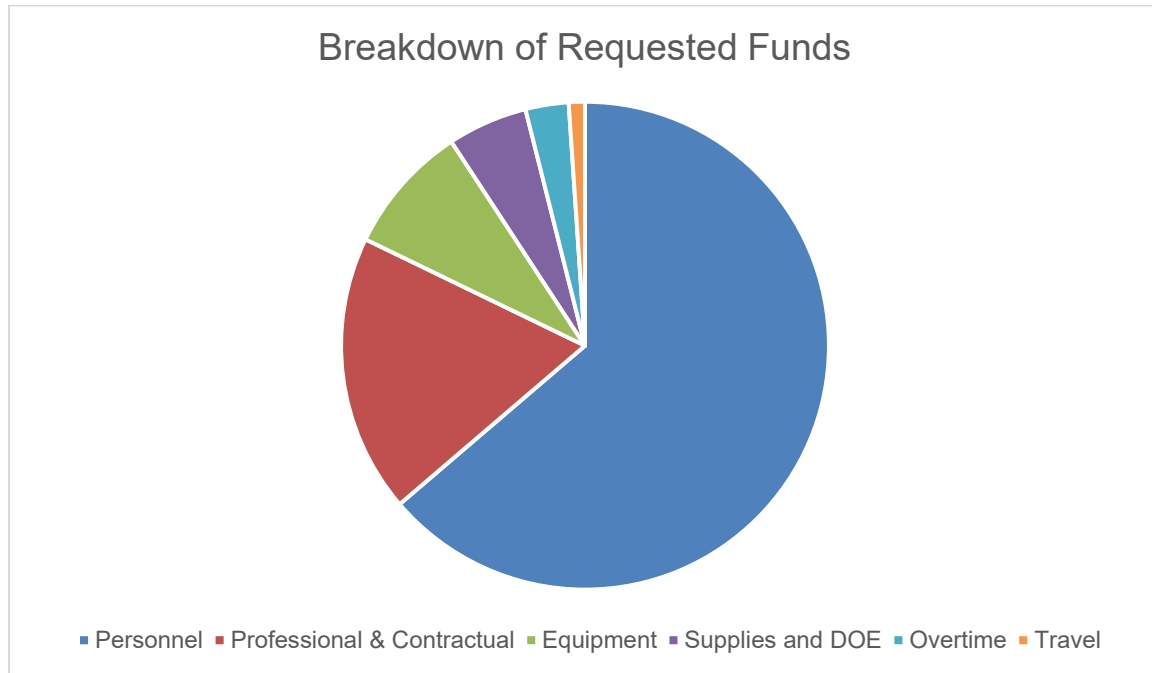
- **Law Enforcement, Detection, and Apprehension**
- **Prosecution/Adjudication/Conviction**
- **Prevention, Anti-Theft Devices and Automobile Registration**
- **Reduction of the Sale of Stolen Vehicles or Parts**
- **Educational Programs and Marketing**

The MVCPA enabling statute provides that the “the authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution.” (TTC Section 1006.151, (c). In addition, the following grant features will be given priority consideration in evaluating new grant applications:

- **Continuing Funded Programs in Compliance with MVCPA Grant Conditions**
- **Programs to Combat Organized Economic Crime**

- **Border and Port Security**
- **Use of Technology**
- **Theft of Parts from a Motor Vehicle**
- **Dedicated Prosecutors**

Twenty-four Taskforce grant applications and two equipment only grant applications were received for a total of \$23,120,974 in MVCPA funds requested. The breakdown of funds requested with Personnel, Professional & Contractual, and Equipment being the largest categories is:



Grantee Name	Score	Number of MVT Per Application	MVCPA Funds Requested	Cash Match	Equipment Funds Requested	Overtime Funds Requested	Cost Per Leased Vehicle	FY23 Award Requested	FY23 Cash Match as of 6/9/2023	FY24 Grant Award
City of Houston	86.5	17835	\$1,517,208.00	\$391,044.00	\$53,000.00	\$140,894.00	\$750.00	\$ 1,251,130	\$384,097.00	
City of Dallas	74.83	13374	\$1,191,410.00	\$297,929.00	\$125,000.00	\$0.00	\$1,083.33	797,339	\$187,603.00	
City of San Antonio	90.66	12109	\$1,354,711.00	\$606,307.00	\$1,975.00	\$47,547.00	N/A	\$ 815,785	581,881.00	
Harris County	83.3	7395	\$959,467.00	\$192,817.00	\$18,750.00	\$0.00	N/A	\$ 853,100	\$196,774.95	
Tarrant County	95	6640	\$1,923,822.00	\$569,263.00	\$169,274.00	\$57,947.00	N/A	1,332,593	525,867.00	
City of Austin	82.6	5098	\$496,043.00	\$184,693.00	\$0.00	\$0.00	N/A	411,300	175,841.00	
Burnet County	84.16	1708	\$664,313.00	\$132,863.00	\$102,918.00	\$5,967.00	N/A	220,894	107,823.00	
Lubbock County	85.16	1689	\$960,920.00	\$338,190.00	\$182,176.00	\$9,600.00	N/A	446,785	301,068.00	
Smith County	78.16	1371	\$417,595.00	\$83,521.00	\$37,500.00	\$3,332.00	N/A	357,474	87,911.78	
Galveston County	79.8	1312	\$987,680.00	\$280,961.00	\$189,000.00	\$92,941.00	N/A	518,201	224,525.00	

Grantee Name	Score	Number of MVT Per Application	MVCPA Funds Requested	Cash Match	Equipment Funds Requested	Overtime Funds Requested	Cost Per Leased Vehicle	FY23 Award	FY23 Cash Match as of 6/9/2023	FY24 Grant Award
City of Laredo	85.3	278	\$1,352,225.00	\$482,289.00	\$0.00	\$0.00	\$600.00	756,565	441,969.00	
City of Mansfield	83.3	702	\$877,120.00	\$293,110.00	\$153,300.00	\$30,179.00	N/A	\$ 331,342	231,198.27	
Montgomery County	83.16	775	\$1,078,387.00	\$216,263.00	\$52,434.00	\$63,925.00	N/A	372,720	289,876.00	
City of El Paso	79.5	1258	\$2,010,810.00	\$563,652.00	\$25,000.00	\$250,000.00	\$695.00	975,265	\$378,420.00	
Travis County	77	991	\$1,135,712.00	\$227,142.00	\$0.00	\$2,500.00	N/A	697,075	139,416.00	
City of Beaumont	76.6	856	\$711,619.00	\$149,221.00	\$39,679.00	\$10,335.00	537.33	583,951	137,000.00	
Dallas County	76.5	22531	\$1,719,771.00	\$470,329.00	\$420,000.00	\$25,000.00	N/A	544,454	249,470.39	
City of Pasadena	75.5	657	\$83,940.00	\$24,060.00	\$0.00	\$0.00	N/A	83,940	24,060.00	
City of Victoria	72	75	\$273,663.00	\$54,734.00	\$0.00	\$0.00	N/A	144,236	33,848.00	
Potter County	70.66	1128	\$411,279.00	\$83,630.00	\$0.00	\$0.00	N/A	399,494	\$207,595.00	
City of Brownsville	69.3	634	\$1,210,718.00	\$898,176.00	\$45,000.00	\$0.00	550	1,020,922	776,177.00	
City of Corpus Christi	68.5	869	\$822,431.00	\$169,372.00	\$0.00	\$23,474.00	N/A	\$ 429,518	247,432.00	
City of Paris	68.33	782	\$473,473.00	\$94,697.00	\$172,291.00	\$3,332.00	N/A	117,857	\$42,129.00	
City of Eagle Pass	65	226	\$434,170.00	\$86,833.00	\$141,667.00	\$0.00	N/A	138,059	83,638.00	
City of River Oaks	35.16	17	\$26,167.00	\$5,233.00	\$26,167.00	\$0.00	N/A	New	New	
San Augustine County	34.33	32	\$26,320.00	\$6,580.00	\$26,320.00	\$0.00	N/A	New	New	



To: Motor Vehicle Crime Prevention Authority Grants Budget and Reporting Committee
From: Joe Canady, Director
Agenda Item: 7
Subject: Unallowable Grant Expenditures

RECOMMENDATION

Action Item. Determine the period of Fiscal Years to require that reimbursements for rent expenses be returned to the MVCPA.

PURPOSE AND EXECUTIVE SUMMARY

Review of Tarrant County Expenditure Report discovered a line-item cost for “rent” was less than an arm’s length transaction and determined to be unallowable expenditure.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The MVCPA first identified a potentially unallowable expenditure contained in the FY23 application for Tarrant County. Discussions between Tarrant County Grant Officials resulted in a determination made to allow the rent line item to be included in the F23 grant application.

During the close of FY22, the Texas Department of Motor Vehicles was notified of an audit from the State Auditor’s Office (SAO) to determine that the MVCPA had processes in place to ensure that it awarded, administered, and monitored grants in accordance with applicable requirements and ensure that grantees use grant funds properly and that reimbursements are supported, reasonable, and allowable for Fiscal Years 2021 and 2022.

The final Audit report from SAO identified that the Authority did not identify that rent expenses that one grantee reported were related to a less-than-arms-length lease transaction. As a result, the Authority may have reimbursed the grantee in excess of allowable rent expenses. SAO Auditors were not able to determine the amount that was incorrectly reimbursed to the grantee due to a lack of supporting documentation.



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Director
Agenda Item: 8.A
Subject: MVCPA Fee increase

RECOMMENDATION

Briefing Only.

PURPOSE AND EXECUTIVE SUMMARY

MVCPA is funded from a portion of the \$4.00 fee on motor vehicle insurance policies. With the passage of Senate Bill 224 in the 88th Legislative session, the fee is proposed to increase to \$5.00, with the entire additional \$1 flowing through MVCPA to local law enforcement

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

Based on the interpretation of Senate Bill 224 by the MVCPA, Texas Department of Insurance (TDI), and TxDMV Office of General Counsel (OGC), the new \$5 fee will apply to policies delivered, issued for delivery, or renewed on or after May 29, 2023 (the date the Governor signed the bill) TDI will send out a notice or bulletin to inform insurers of the new \$5 fee, the effective date requiring their compliance, and the requirement that the insurers notify their policy holders of the new fee. The Texas Comptroller will update forms to reflect the increased fee.

S.B. No. 224

AN ACT

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

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

ARTICLE 1. TITLE

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

ARTICLE 2. CRIMINAL OFFENSES

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

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

(1) a Class C misdemeanor if:

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

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

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

(3) a Class A misdemeanor if:

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

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

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

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

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

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

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

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

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

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

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

(5) a felony of the third degree if:

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

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

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

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

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

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

(c) For purposes of Subsection (b):

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

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

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

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

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

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

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

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

(6) an actor engaged in the business of obtaining abandoned or wrecked motor vehicles or parts of an abandoned or wrecked motor vehicle for resale, disposal, scrap, repair, rebuilding, demolition, or other form of

salvage is presumed to know on receipt by the actor of stolen property that the property has been previously stolen from another if the actor knowingly or recklessly:

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

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

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

(7) an actor who purchases or receives a used or secondhand motor

vehicle is presumed to know on receipt by the actor of the motor vehicle that the motor vehicle has been previously stolen from another if the actor knowingly or recklessly:

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

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

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

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

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

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

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

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

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

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

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

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

(2) a Class B misdemeanor if:

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

(B) the value of the property stolen is less than \$100 and

the defendant has previously been convicted of any grade of theft; or

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

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

(4) a state jail felony if:

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

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

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

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

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

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

(i) aluminum;

(ii) bronze;

(iii) copper; or

(iv) brass; or

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

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

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

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

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

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

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

(6) a felony of the second degree if:

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

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

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

(f-1) An offense described for purposes of punishment by Subsections

(e) (4)-(6) is increased to the next higher category of offense if it is shown on the trial of the offense that:

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

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

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

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

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

SECTION 2.04. Chapter 31, Penal Code, is amended by adding 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 constituting conspiracy under Section 15.02 to commit an offense under Section 28.03 or 31.03 with respect to a catalytic converter; or

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

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

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

(a) 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) murder, capital murder, arson, aggravated robbery, robbery, burglary, theft, aggravated kidnapping, kidnapping, aggravated assault, aggravated sexual assault, sexual assault, continuous sexual abuse of young

child or disabled individual, solicitation of a minor, forgery, deadly conduct, assault punishable as a Class A misdemeanor, burglary of a motor vehicle, or unauthorized use of a motor vehicle;

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

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

(4) unlawful manufacture, transportation, repair, or sale of firearms or prohibited weapons;

(5) unlawful manufacture, delivery, dispensation, or distribution of a controlled substance or dangerous drug, or unlawful possession of a controlled substance or dangerous drug through forgery, fraud, misrepresentation, or deception;

(5-a) causing the unlawful delivery, dispensation, or distribution of a controlled substance or dangerous drug in violation of Subtitle B, Title 3, Occupations Code;

(6) any unlawful wholesale promotion or possession of any obscene material or obscene device with the intent to wholesale promote the same;

(7) any offense under Subchapter B, Chapter 43, depicting or involving conduct by or directed toward a child younger than 18 years of age;

(8) any felony offense under Chapter 32;

(9) any offense under Chapter 36;

(10) any offense under Chapter 34, 35, or 35A;

(11) any offense under Section 37.11(a);

(12) any offense under Chapter 20A;

- (13) any offense under Section 37.10;
- (14) any offense under Section 38.06, 38.07, 38.09, or 38.11;
- (15) any offense under Section 42.10;
- (16) any offense under Section 46.06(a) (1) or 46.14;
- (17) any offense under Section 20.05 or 20.06;
- (18) any offense under Section 16.02; ~~[or]~~
- (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) any offense classified as a felony under the Tax Code.

ARTICLE 3. REGULATORY PROVISIONS

SECTION 3.01. Section 1956.001, Occupations Code, is amended by amending Subdivisions (6-b) and (7) and adding Subdivision (6-c) to read as follows:

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

(A) is attached to real property;

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

and

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

(6-c) "Lead material" means:

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

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

(7) "Metal recycling entity" means a business that ~~[is operated from a fixed location and]~~ is predominantly engaged in:

(A) performing the manufacturing process by which scrap, used, or obsolete ferrous or nonferrous metal is converted into raw material products consisting of prepared grades and having an existing or potential economic value, by a method that in part requires the use of powered tools and equipment, including processes that involve processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form of that metal;

(B) the use of raw material products described under Paragraph (A) in the manufacture of producer or consumer goods; or

(C) purchasing or otherwise acquiring scrap, used, or obsolete ferrous or nonferrous metals for the eventual use of the metal for the purposes described by Paragraph (A) or (B).

SECTION 3.02. Section 1956.016, Occupations Code, is amended to read as follows:

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

- (1) the entity's name;
- (2) the entity's physical address; ~~[and]~~
- (3) the name of and contact information for a representative of the entity; and
- (4) a description of the extent to which the entity engages in

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

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

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

(1) one representative of the department;

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

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

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

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

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

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

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

SECTION 3.04. Section 1956.022, Occupations Code, is amended to read as follows:

Sec. 1956.022. ISSUANCE OF CERTIFICATE; QUALIFICATIONS. (a) The

department shall issue a certificate of registration to an applicant who:

(1) applies and pays a registration fee; ~~[and]~~

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

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

(4) presents evidence satisfactory to the department that the applicant intends to act as a metal recycling entity and use a fixed location to wholly or partly conduct an activity described by Section 1956.001(7);
and

(5) provides the physical address of the fixed location described by Subdivision (4).

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

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

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

(3) that the applicant will deal only incidentally with catalytic

converters removed from motor vehicles.

(a-2) An applicant who intends to conduct an activity described by Section 1956.001(7) at more than one fixed location must complete an application and obtain a certificate of registration for each fixed location.

(b) The commission by rule may establish qualifications for the holder of a certificate of registration under this chapter, which may include accepting copies of a license or permit issued by a county or municipality authorizing a metal recycling entity to conduct business in that county or municipality. The qualifications may differ for a holder of a certificate of registration under this chapter based on the extent to which the person engages in transactions involving catalytic converters removed from motor vehicles as stated on the person's declaration submitted under Subsection (a).

SECTION 3.05. Section 1956.024(a), Occupations Code, is amended to read as follows:

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

(1) submit an application for renewal in the manner prescribed by the department; and

(2) update the person's declaration submitted under Section 1956.022(a).

SECTION 3.06. Subchapter A-3, Chapter 1956, Occupations Code, is amended by adding Section 1956.030 to read as follows:

Sec. 1956.030. FIXED LOCATION. (a) A metal recycling entity shall at all times maintain a fixed location and use the fixed location to at least partly conduct an activity described by Section 1956.001(7).

(b) A metal recycling entity shall maintain a fixed location as

required by Subsection (a) for each certificate of registration held by the metal recycling entity.

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

SUBCHAPTER C-1. CERTAIN TRANSACTIONS INVOLVING CATALYTIC CONVERTERS

REMOVED FROM MOTOR VEHICLES

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

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

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

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

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

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

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

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

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

(E) a used automotive parts recycler licensed under Chapter 2309;

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

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

(H) a law enforcement agency;

(I) the National Insurance Crime Bureau;

(J) a business that is:

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

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

(K) a business that is located in a jurisdiction outside the United States and operated in a business form recognized by the laws of that jurisdiction and that imports catalytic converters into the United States in accordance with the Harmonized Tariff Schedule of the United States published

by the United States International Trade Commission; and

(2) any individual acting on behalf of the person described by Subdivision (1) has apparent authority to enter into the transaction and is acting in the scope of that authority.

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

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

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

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

(3) the date of the transaction.

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

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

(e) A metal recycling entity commits an offense if the entity intentionally or knowingly fails to maintain a record as required by this

section. An offense under this subsection is a Class A misdemeanor.

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

(1) enter the premises of the entity; and

(2) inspect a record required to be maintained by Section 1956.124.

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

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

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

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

(1) issue a license or permit as provided by Section 1956.003; or

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

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

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

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

(2) violates Section 1956.124.

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

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

Sec. 2305.0041. LIMITATION ON BUYING AND SELLING CATALYTIC CONVERTERS.

A person subject to this subchapter may not buy or sell a catalytic converter removed from a motor vehicle unless the catalytic converter was removed from the motor vehicle in connection with the person's repair of the vehicle.

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

Sec. 2305.0051. REPAIR RECORDS RELATED TO CATALYTIC CONVERTERS.

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

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

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

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

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

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

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

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

SUBCHAPTER D. RECORDS OF CERTAIN SALES OR TRANSFERS OF CATALYTIC

CONVERTERS REMOVED FROM MOTOR VEHICLES

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

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

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

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

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

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

(3) the date of the transaction.

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

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

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

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

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

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

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

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

(c) Regardless of whether an occupational license is required, an officer of the Department of Public Safety or another peace officer may enter the premises of and inspect the records of a person described by Section

1956.123(1) (A) through (G), as provided by Subsection (b).

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

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

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

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

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

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

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

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

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

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

ARTICLE 4. TRANSITIONS

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

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

SECTION 4.03. Section 1956.022(a), Occupations Code, as amended by this Act, applies only to an application for a certificate of registration submitted on or after January 1, 2024. An application submitted before January 1, 2024, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 4.04. As soon as practicable after the effective date of this

Act, the Department of Public Safety shall adopt rules necessary to implement the changes in law made by this Act to Chapter 1956, Occupations Code.

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

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

ARTICLE 5. COORDINATION OF STATE AGENCIES TO DETECT AND PREVENT THEFT OF
CATALYTIC CONVERTERS

SECTION 5.01. (a) In this section, "authority" means the Motor Vehicle Crime Prevention Authority.

(b) Not later than January 1, 2024, the authority shall develop and implement a plan to coordinate efforts with the Department of Public Safety, the Texas Department of Licensing and Regulation, and the Texas Department of Motor Vehicles to:

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

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

(c) The authority may establish a task force composed of persons regulated by the agencies listed in Subsection (b) of this section who have substantial business experience in transactions involving catalytic converters. The authority shall develop the plan described by Subsection (b) of this section with the participation of the task force, if established.

(d) Except as provided by Subsection (c) of this section, the authority may appoint members to the task force as the authority determines appropriate.

(e) In developing and implementing the plan described by Subsection (b) of this section, the authority shall focus on:

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

(2) providing risk-based targeting and random auditing of the records of the persons regulated by the agencies listed in Subsection (b) of this section.

(f) The money deposited to the credit of the general revenue fund for coordinated regulatory and law enforcement activities intended to detect and prevent catalytic converter theft in this state as described by Section 1006.153(e), Transportation Code, as amended by this Act, may be appropriated

to the authority for the activities required by this section.

ARTICLE 6. EFFECTIVE DATE

SECTION 6.01. (a) This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

(b) Sections 1956.001(6-b) and (7), Occupations Code, as amended by this Act, and Section 1956.030, Occupations Code, as added by this Act, take effect July 1, 2023.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 224 passed the Senate on April 3, 2023,
by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 224 passed the House on May 16, 2023, by
the following vote: Yeas 142, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Director
Agenda Item: 8.B
Subject: Develop and Implement a Plan to Coordinate Efforts with the Texas Department of Public Safety, Texas Department of Licensing and Regulation, and the Texas Department of Motor Vehicles to Review Records of Persons Regulated and Respond to Suspicious Activities.

RECOMMENDATION

Action Item. Allow MVCPA Director and stakeholders sufficient time to develop and implement a Plan to Coordinate Efforts with the Texas Department of Public Safety, Texas Department of Licensing and Regulation, and the Texas Department of Motor Vehicles to comply with Section 5.01 of Senate Bill 224 and report back to the board with a recommendation in an October 2023 board meeting.

PURPOSE AND EXECUTIVE SUMMARY

Senate Bill 224 requires No later than January 1, 2024, the authority shall develop and implement a plan to coordinate with other state agencies to review catalytic converter records of persons regulated by agencies and respond to suspicious activities that may be detected in the review of records.

FINANCIAL IMPACT

TBD

BACKGROUND AND DISCUSSION

The plan directs MVCPA to coordinate efforts with the Department of Public Safety, Texas Department of Licensing and Regulation, and the Texas Department of Motor Vehicles to:

- Review the records of persons regulated by each agency involving the purchase, acquisition, sale, or transfer of catalytic converters removed from motor vehicles
- Respond to suspicious activities that may be detected through the analysis of the records described above.
- The plan shall focus on protecting each step in the legitimate stream of commerce that begins with the removal of a catalytic converter from a motor vehicle and includes recycling those catalytic converters to ensure that persons regulated are not the means for inserting stolen catalytic converters into the stream of commerce
- Providing risk-based targeting and random auditing of the records of the persons regulated.



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Director
Agenda Item: 8.C
Subject: Establish a Taskforce Composed of Persons Regulated by the Agencies involving the Purchase, Acquisition, Sale, or Transfer of Catalytic Converters Removed from Motor Vehicles

RECOMMENDATION

Action Item. Allow MVCPA Director and stakeholders sufficient time to research the establishment of a Task Force composed of persons regulated by the agencies and who have substantial business experience in transactions involving catalytic converters and report back to the board with a recommendation in an October 2023 board meeting.

PURPOSE AND EXECUTIVE SUMMARY

Senate Bill 224 provides that the authority may establish a taskforce composed of persons who have substantial business experience in catalytic converters and other members as the authority determines appropriate.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The authority may establish a task force composed of persons regulated by the Department of Public Safety, Texas Department of Licensing and Regulation, and Texas Department of Motor Vehicles, who have substantial business experience in transactions involving catalytic converters and members the authority determines appropriate.



To: Motor Vehicle Crime Prevention Authority Board
From: Joe Canady, Director
Agenda Item: 9
Subject: FY2024 Taskforce Grant Award and Allocations

RECOMMENDATION

Action Item. Determine Allocation amounts for Fiscal Year 2024 Taskforce Grant Awards or accept the recommendation from the Grants, Budget, and Reports Committee.

PURPOSE AND EXECUTIVE SUMMARY

Review and analysis of Fiscal Year 2024 Taskforce Grant Applications for reasonableness, allowable expenditures, proposed budget amounts, and need of each jurisdiction to determine the Allocation amounts for Fiscal Year 2024 Taskforce Grant Awards.

FINANCIAL IMPACT

N/A

BACKGROUND AND DISCUSSION

The MVCPA authorized the issuance of the Fiscal Years 2024 and 2025 (FY24-25) Request for Applications (RFA) at its regularly scheduled meeting held on February 22, 2023. MVCPA is authorized in statute to provide grants to local law enforcement to combat motor vehicle theft, burglary from a motor vehicle and/or fraud-related motor vehicle crime. Eligible applicants may request funds for program operation by submission of an application consistent with the information, including the requirements and conditions stated in the RFA. This RFA was posted in the Texas Register as required by law for at least thirty (30) days prior to the due date for Applications.

Twenty-six applications were submitted for FY2024. To be eligible for consideration for funding, a taskforce grant application must have been designed to support one or more of the following MVCPA program categories:

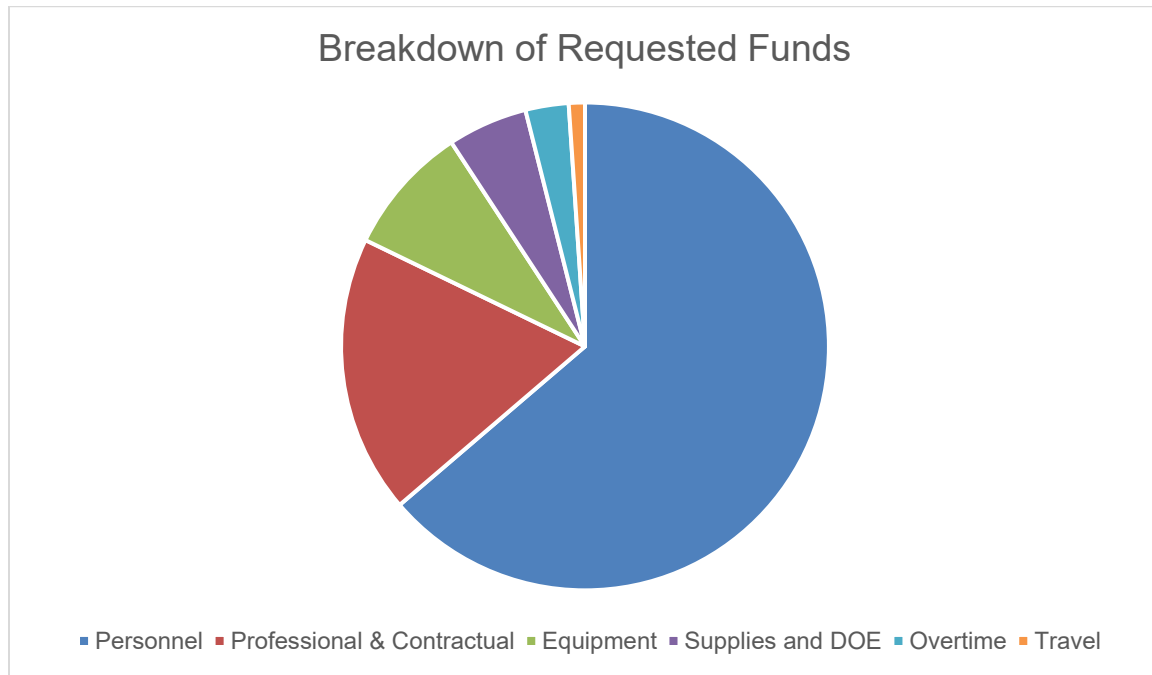
- **Law Enforcement, Detection, and Apprehension**
- **Prosecution/Adjudication/Conviction**
- **Prevention, Anti-Theft Devices and Automobile Registration**
- **Reduction of the Sale of Stolen Vehicles or Parts**
- **Educational Programs and Marketing**

The MVCPA enabling statute provides that the “the authority shall allocate grant funds primarily based on the number of motor vehicles stolen in, or the motor vehicle burglary or theft rate across, and the number of fraud-related motor vehicle crimes committed in the state rather than based on geographic distribution.” (TTC Section 1006.151, (c). In addition, the following grant features will be given priority consideration in evaluating new grant applications:


- **Continuing Funded Programs in Compliance with MVCPA Grant Conditions**

- **Programs to Combat Organized Economic Crime**
- **Border and Port Security**
- **Use of Technology**
- **Theft of Parts from a Motor Vehicle**
- **Dedicated Prosecutors**

Twenty-four Taskforce grant applications and two equipment only grant applications were received for a total of \$23,120,974 in MVCPA funds requested. The breakdown of funds requested with Personnel, Professional & Contractual, and Equipment being the largest categories is:



Top 10 Grant Allocations

Grantee Name	 MVCPA Funds Requested	Cash Match	FY23 Award	FY23 Cash Match as of 6/9/2023	FY24 Grant Award
City of Houston	\$1,517,208.00	\$391,044.00	\$ 1,251,130	\$384,097.00	
City of Dallas	\$1,191,410.00	\$297,929.00	797,339	\$187,603.00	
City of San Antonio	\$1,354,711.00	\$606,307.00	\$ 815,785	581,881.00	
Harris County	\$959,467.00	\$192,817.00	\$ 853,100	\$196,774.95	
Tarrant County	\$1,923,822.00	\$569,263.00	1,332,593	525,867.00	
City of Austin	\$496,043.00	\$184,693.00	411,300	175,841.00	
Burnet County	\$664,313.00	\$132,863.00	220,894	107,823.00	
Lubbock County	\$960,920.00	\$338,190.00	446,785	301,068.00	
Smith County	\$417,595.00	\$83,521.00	357,474	87,911.78	
Galveston County	\$987,680.00	\$280,961.00	518,201	224,525.00	

Group 2 allocations

City of Laredo	\$1,352,225.00	\$482,289.00	756,565	441,969.00	
City of Mansfield	\$877,120.00	\$293,110.00	\$ 331,342	231,198.27	
Montgomery County	\$1,078,387.00	\$216,263.00	372,720	289,876.00	
City of El Paso	\$2,010,810.00	\$563,652.00	975,265	\$378,420.00	
Travis County	\$1,135,712.00	\$227,142.00	697,075	139,416.00	
City of Beaumont	\$711,619.00	\$149,221.00	583,951	137,000.00	
Dallas County	\$1,719,771.00	\$470,329.00	544,454	249,470.39	
City of Pasadena	\$83,940.00	\$24,060.00	83,940	24,060.00	
City of Victoria	\$273,663.00	\$54,734.00	144,236	33,848.00	
Potter County	\$411,279.00	\$83,630.00	399,494	\$207,595.00	
City of Brownsville	\$1,210,718.00	\$898,176.00	1,020,922	776,177.00	
City of Corpus Christi	\$822,431.00	\$169,372.00	\$ 429,518	247,432.00	
City of Paris	\$473,473.00	\$94,697.00	117,857	\$42,129.00	
City of Eagle Pass	\$434,170.00	\$86,833.00	138,059	83,638.00	
City of River Oaks	\$26,167.00	\$5,233.00	New	New	
San Augustine County	\$26,320.00	\$6,580.00	New	New	