

**Chapter 7 ANTIQUE DEALERS, COMMON MARKETS, SCRAP METAL  
PROCESSORS,  
SECONDHAND RESELLERS AND RELATED BUSINESSES**

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**ARTICLE III. METAL RECYCLERS**

*DIVISION 1. GENERAL*

**Sec. 7-51. Definitions.**

The following words, terms and phrases, when used in this article, shall have the same meanings as provided in this section, except where the context clearly indicates a different meaning:

*Applicant* means a person who applies for a license required by this article.

*Authorized personnel* means an individual who has been granted permission to sell material or accept payment in connection with a business to business transaction on behalf of a metal recycler, public utility, manufacturing, industrial, retail or other commercial vendor that generates or sells regulated material in the ordinary course of its business and whose name has been provided in writing from the company and maintained on file with the metal recycler conducting the business to business transaction.

*Business to business transaction* means a sale or transfer of material between a metal recycler and a company represented by authorized personnel.

*Catalytic converter* means an exhaust emission control device that reduces toxic gases and pollutants from internal combustion; this includes any material removed from a catalytic converter.

*Electronic database* means an electronic filing system in which data is organized by fields and records.

*Enclosed structure* means a building that consists of a roof and solid walls on all sides, with or without windows or doors, that extend from the roof to the floor. The term includes detached trailers or semi-trailers with fully-enclosed cargo space and containers as defined by rule or regulation promulgated pursuant to section 7-53 of this Code.

*Fixed location* means any building or structure for which a certificate of occupancy has been issued.

*Licensee* means a person who holds a license to conduct business as a metal recycler and includes the person's agents and employees.

*Metal recycler* means any person who:

- (1) Engages in the business of purchasing aluminum cans or ferrous or nonferrous metals, such as stainless steel alloys, copper cables or steel plates;
- (2) Engages in the business of utilizing machinery or equipment for the processing or manufacturing of iron, steel or nonferrous metallic scrap and whose principal product is scrap metal for reuse; or
- (3) Operates or maintains a place in which used metal items or scrap metal is purchased, collected or kept for shipment, sale, or transfer to other facilities.

The term does not include secondhand reseller as defined in chapter 7, article VI of this Code.

*On-site representative* means an individual responsible for the day-to-day operation of the place of business of a metal recycler.

*Open storage* means keeping, maintaining, or placing processed metal items or scrap metal outside of an enclosed structure for shipment, sale, or transfer to other facilities.

*Public transaction* means a sale or transfer of material between a metal recycler and an individual selling material on his own behalf. The term does not include any business to business transactions or any transaction involving an individual selling material on behalf of a company.

*Regulated material* shall have the same meaning as in Chapter 1956 of the Texas Occupations Code.

*Scrap metal* means a direct product or byproduct of any form of a manufactured, shaped, or processed iron, steel, aluminum, brass, copper, lead, tin, zinc, or other nonferrous material or alloy of materials.

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#### **Sec. 7-63.1 Purchase of catalytic converters.**

- (a) It shall be unlawful for any metal recycler or his agents or employees acting on his behalf to purchase or receive catalytic converters from any person offering such property for sale unless, in addition to the requirements set forth in section 7-58 of this Code:
  - (1) For automotive repair facilities:

- a. The person selling the catalytic converter presents a verifiable receipt from the repair facility with:
    - [1] The name of the business;
    - [2] The address of the business;
    - [3] The phone number for the business that repaired the vehicle that the catalytic converter offered for sale came from; and
    - [4] The year, make, model, and vehicle identification number of the vehicle or vehicles repaired.
  - b. The metal recycler either verifies that the repair facility is an actual business and that the automotive repair facility or muffler repair facility is open to the general public for business, or the repair facility provides a copy of their applicable City of Houston Auto Dealers Detail license.
  - c. A seller with a valid used automotive parts recycler license issued by the Texas Department of License and Regulation (TDLR) under the Texas Occupations Code Chapter 2309 may offer for sale catalytic converters to a metal recycler without a verifiable receipt from a repair facility. The metal recycler must obtain a copy of the valid license issued by TDLR and upload it pursuant to section 7-63.1(b)(2) of this Code.
- (2) For individual sellers: The person attempting to sell a catalytic converter provides to the metal recycler:
- a. The year, make, model, and vehicle identification number for the vehicle from which the catalytic converter was removed;
  - b. a copy of the certificate of title or other documentation indicating that the person has an ownership interest in the vehicle from which the catalytic converter was removed; and
  - c. any other information required by Chapter 1956 of the Texas Occupations Code.
- (b) Once the metal recycler has purchased the catalytic converter, the metal recycler shall:
- (1) Take a photograph of:
    - a. All sides of the catalytic converter, and if round, both halves;
    - b. the serial number and

- c. any owner applied number, such as an etched serial number, VIN, etc.
- (2) The metal recycler must upload into the police department's selected law enforcement online investigation system the photographs and all information required pursuant to subsection (a) of this section.
- (c) It shall be unlawful for any individual or entity other than a metal recycler to possess a used catalytic converter that was cut from its original vehicle, rather than unbolted, unless the individual or entity provides the applicable information under subsection (a) of this section. Each catalytic converter in an individual or entity's possession shall constitute a separate offense.

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**Sec. 7-125. Records required to be kept by secondhand resellers.**

- (a) A secondhand reseller shall be required to keep records of any used property purchased or otherwise received as follows:
  - (1) The date of receipt of any item; and
  - (2) The individual transaction number assigned by the secondhand reseller.
- (b) A secondhand reseller, his agents or employees shall provide a consecutively numbered receipt to the seller or transferor of the item. Such receipt shall be dated on the actual date of the transaction.
- (c) A secondhand reseller shall be required to keep and upload records of any catalytic converter purchased or otherwise received as detailed in sections 7-63.1(a) and (b) of this Code.