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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 330

01/25/2021 Authored by Davids, Franke, Lillie, Her, Jurgens and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to public safety; establishing requirements for the purchase of catalytic
1.3 converters; amending Minnesota Statutes 2020, section 325E.21, subdivisions 1b,
1.4 2, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 325E.21, subdivision 1b, is amended to read:

1.7 Subd. 1b. Purchase or acquisition record required. (a) Every scrap metal dealer,
1.8 including an agent, employee, or representative of the dealer, shall create a permanent record
1.9 written in English, using an electronic record program at the time of each purchase or
1.10 acquisition of scrap metal. The record must include the information identified in subdivision
1.11 1e where applicable, and must also include:

1.12 (1) a complete and accurate account or description, including the weight if customarily
1.13 purchased by weight, of the scrap metal purchased or acquired;

1.14 (2) the date, time, and place of the receipt of the scrap metal purchased or acquired and
1.15 a unique transaction identifier;

1.16 (3) a photocopy or electronic scan of the seller's proof of identification including the
1.17 identification number;

1.18 (4) the amount paid and the number of the check or electronic transfer used to purchase
1.19 the scrap metal;

1.20 (5) the license plate number and description of the vehicle used by the person when
1.21 delivering the scrap metal, including the vehicle make and model, and any identifying marks
1.22 on the vehicle, such as a business name, decals, or markings, if applicable;

2.1 (6) a statement signed by the seller, under penalty of perjury as provided in section  
2.2 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances  
2.3 and the seller has the right to sell it; and

2.4 (7) a copy of the receipt, which must include at least the following information: the name  
2.5 and address of the dealer, the date and time the scrap metal was received by the dealer, an  
2.6 accurate description of the scrap metal, and the amount paid for the scrap metal.

2.7 (b) The record, as well as the scrap metal purchased or received, shall at all reasonable  
2.8 times be open to the inspection of any properly identified law enforcement officer.

2.9 (c) Except as provided in subdivision 1e, no record is required for property purchased  
2.10 from merchants, manufacturers, salvage pools, insurance companies, rental car companies,  
2.11 financial institutions, charities, dealers licensed under section 168.27, or wholesale dealers,  
2.12 having an established place of business, or of any goods purchased at open sale from any  
2.13 bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained  
2.14 and kept by the person, which must be shown upon demand to any properly identified law  
2.15 enforcement officer.

2.16 (d) The dealer must provide a copy of the receipt required under paragraph (a), clause  
2.17 (7), to the seller in every transaction.

2.18 (e) Law enforcement agencies in the jurisdiction where a dealer is located may conduct  
2.19 regular and routine inspections to ensure compliance, refer violations to the city or county  
2.20 attorney for criminal prosecution, and notify the registrar of motor vehicles.

2.21 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,  
2.22 employee, or representative may not disclose personal information concerning a customer  
2.23 without the customer's consent unless the disclosure is required by law or made in response  
2.24 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable  
2.25 safeguards to protect the security of the personal information and prevent unauthorized  
2.26 access to or disclosure of the information. For purposes of this paragraph, "personal  
2.27 information" is any individually identifiable information gathered in connection with a  
2.28 record under paragraph (a).

2.29 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to purchases  
2.30 that take place on or after that date.

3.1 Sec. 2. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to  
3.2 read:

3.3 Subd. 1e. **Purchase or acquisition of catalytic converter.** (a) Before each purchase or  
3.4 acquisition of a catalytic converter, every scrap metal dealer, including an agent, employee,  
3.5 or representative of the dealer, shall:

3.6 (1) verify, with the applicable documentation described in paragraphs (b) and (c), that  
3.7 the person transferring or selling the catalytic converter acquired it legally and has the right  
3.8 to transfer or sell it; and

3.9 (2) retain a record of the applicable verification.

3.10 (b) Any merchants, manufacturers, salvage pools, insurance companies, rental car  
3.11 companies, financial institutions, charities, dealers licensed under section 168.27, or  
3.12 wholesale dealers, having an established place of business seeking to transfer or sell a  
3.13 catalytic converter, must provide a record showing:

3.14 (1) the repair order number, where applicable;

3.15 (2) the date of repair or the date on which the catalytic converter was removed from a  
3.16 vehicle;

3.17 (3) the vehicle identification number of the vehicle from which the catalytic converter  
3.18 was removed; and

3.19 (4) a description of the part including the part number or other identifying number of  
3.20 the catalytic converter that was removed.

3.21 (c) Any other person seeking to transfer or sell a catalytic converter must provide a  
3.22 receipt from a person or company that repairs, overhauls, dismantles, or does any mechanical  
3.23 work to motor vehicles. At a minimum, the receipt must include:

3.24 (1) the name of the person or company that removed the catalytic converter;

3.25 (2) the name of the person for whom the work was completed;

3.26 (3) the make and model of the vehicle from which the catalytic converter was removed;

3.27 (4) the vehicle identification number of the vehicle from which the catalytic converter  
3.28 was removed; and

3.29 (5) the part number or other identifying number of the catalytic converter that was  
3.30 removed.

4.1 (d) A scrap metal dealer, or the agent, employee, or representative of the dealer, who  
4.2 violates a provision of this subdivision is guilty of a misdemeanor.

4.3 (e) In a prosecution under this subdivision, it is a defense for the defendant to prove by  
4.4 a preponderance of the evidence that the defendant reasonably and in good faith relied upon  
4.5 the representations of proof described in this subdivision to establish that the person  
4.6 transferring or selling the catalytic converter acquired it legally and had the right to transfer  
4.7 or sell it.

4.8 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to purchases  
4.9 that take place on or after that date.

4.10 Sec. 3. Minnesota Statutes 2020, section 325E.21, subdivision 2, is amended to read:

4.11 Subd. 2. **Retention required.** Records required to be maintained by subdivision ~~1a or~~  
4.12 ~~1b~~ or 1e shall be retained by the scrap metal dealer for a period of three years.

4.13 **EFFECTIVE DATE.** This section is effective August 1, 2021, and applies to purchases  
4.14 that take place on or after that date.