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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4860

05/04/2022

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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 commerce; requiring scrap metal dealers to verify ownership before

1.3 purchasing a catalytic converter; amending Minnesota Statutes 2021 Supplement,

1.4 section 325E.21, subdivision 1b.

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

1.6 Section 1. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 1b, is

1.7 amended to read:

1.8 Subd. 1b. **Purchase or acquisition record required.** (a) Any person who purchases or

1.9 receives a catalytic converter must comply with this section.

1.10 (b) Every scrap metal dealer, including an agent, employee, or representative of the

1.11 dealer, shall create a permanent record written in English, using an electronic record program

1.12 at the time of each purchase or acquisition of scrap metal. The record must include:

1.13 (1) a complete and accurate account or description, including the weight if customarily

1.14 purchased by weight, of the scrap metal purchased or acquired;

1.15 (2) the date, time, and place of the receipt of the scrap metal purchased or acquired and

1.16 a unique transaction identifier;

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

1.18 identification number;

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

1.20 the scrap metal;

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

2.4 (6) a statement signed by the seller, under penalty of perjury as provided in section
2.5 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances
2.6 and the seller has the right to sell it and, if the scrap metal is a catalytic converter,
2.7 documentation indicating that the catalytic converter in the seller's possession is the result
2.8 of the seller replacing a catalytic converter from a vehicle registered in the seller's name;

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

2.12 (8) in order to purchase a detached catalytic converter, any numbers, bar codes, stickers,
2.13 or other unique markings that result from the pilot project created under subdivision 2b;
2.14 and

2.15 (9) the name of the person who removed the catalytic converter.

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

2.18 (d) No record is required for property purchased from merchants, manufacturers, salvage
2.19 pools, insurance companies, rental car companies, financial institutions, charities, dealers
2.20 licensed under section 168.27, or wholesale dealers, having an established place of business,
2.21 or of any goods purchased at open sale from any bankrupt stock, but a receipt as required
2.22 under paragraph (b), clause (7), shall be obtained and kept by the person, which must be
2.23 shown upon demand to any properly identified law enforcement officer.

2.24 (e) The dealer must provide a copy of the receipt required under paragraph (b), clause
2.25 (7), to the seller in every transaction.

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

2.29 (g) Except as otherwise provided in this section, a scrap metal dealer or the dealer's
2.30 agent, employee, or representative may not disclose personal information concerning a
2.31 customer without the customer's consent unless the disclosure is required by law or made
2.32 in response to a request from a law enforcement agency. A scrap metal dealer must implement
2.33 reasonable safeguards to protect the security of the personal information and prevent

3.1 unauthorized access to or disclosure of the information. For purposes of this paragraph,
3.2 "personal information" is any individually identifiable information gathered in connection
3.3 with a record under paragraph (a).

3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.5 applies to the purchase of catalytic converters that take place on or after that date.