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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 30

01/04/2023 Authored by Richardson, Moller, Hollins, Xiong, Becker-Finn and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
01/25/2023 Adoption of Report: Re-referred to the Committee on Public Safety Finance and Policy
02/08/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
02/15/2023 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to public safety; establishing requirements for the purchase of catalytic
1.3 converters; providing for penalties; appropriating money; amending Minnesota
1.4 Statutes 2022, sections 325E.21, subdivisions 1b, 2, 4, 5, 6, by adding subdivisions;
1.5 609.5316, subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2022, section 325E.21, subdivision 1b, is 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;

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

2.10 (8) in order to purchase a detached catalytic converter, the vehicle identification number  
2.11 of the car it was removed from or, as an alternative, any numbers, bar codes, stickers, or  
2.12 other unique markings that result, whether resulting from the pilot project created under  
2.13 subdivision 2b or some other source. The alternative number must be under a numbering  
2.14 system that can be immediately linked to the vehicle identification number by law  
2.15 enforcement; and

2.16 (9) ~~the name of the person who removed the catalytic converter~~ identity, or identifier,  
2.17 of the employee completing the transaction.

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

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

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

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

2.32 ~~(g)~~ (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's  
2.33 agent, employee, or representative may not disclose personal information concerning a

3.1 customer without the customer's consent unless the disclosure is required by law or made  
3.2 in response to a request from a law enforcement agency. A scrap metal dealer must implement  
3.3 reasonable safeguards to protect the security of the personal information and prevent  
3.4 unauthorized access to or disclosure of the information. For purposes of this paragraph,  
3.5 "personal information" is any individually identifiable information gathered in connection  
3.6 with a record under paragraph (a).

3.7 Sec. 2. Minnesota Statutes 2022, section 325E.21, subdivision 2, is amended to read:

3.8 Subd. 2. **Retention required.** Records required to be maintained by ~~subdivision~~  
3.9 subdivisions 1a ~~or~~, 1b, 11, 12, and 14, shall be retained by the scrap metal dealer for a period  
3.10 of three years.

3.11 Sec. 3. Minnesota Statutes 2022, section 325E.21, subdivision 4, is amended to read:

3.12 Subd. 4. **Registration required.** (a) Every scrap metal dealer shall register annually  
3.13 with the commissioner of public safety. No person shall engage in the business of buying  
3.14 or selling scrap metal without a valid registration.

3.15 (b) The scrap metal dealer shall pay to the commissioner of public safety a \$50 annual  
3.16 fee.

3.17 (c) The commissioner of public safety must cancel or deny the registration of a scrap  
3.18 metal dealer convicted of a violation under subdivision 6, paragraph (a), or a violation of  
3.19 subdivision 14.

3.20 (d) A scrap metal dealer whose registration has been canceled or denied under paragraph  
3.21 (c) shall not register as a scrap metal dealer for a period of five years from the date of denial  
3.22 or cancellation.

3.23 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
3.24 committed on or after that date.

3.25 Sec. 4. Minnesota Statutes 2022, section 325E.21, subdivision 5, is amended to read:

3.26 Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials  
3.27 provided by the superintendent of the Bureau of Criminal Apprehension under section  
3.28 299C.25 and ensure that all employees do so as well. A scrap metal dealer engaged in the  
3.29 purchase of used catalytic converters shall ensure employees handling catalytic converter  
3.30 transactions are specifically trained and familiar with the additional requirements for catalytic  
3.31 converters.

4.1 Sec. 5. Minnesota Statutes 2022, section 325E.21, subdivision 6, is amended to read:

4.2 Subd. 6. **Criminal penalty.** (a) A scrap metal dealer, or the agent, employee, or  
4.3 representative of the dealer, who intentionally violates a provision of this section, except  
4.4 for subdivision 11, 12, or 14, is guilty of a misdemeanor.

4.5 (b) A person who violates subdivision 11, 12, or 14 is guilty of a crime and may be  
4.6 sentenced as follows:

4.7 (1) to imprisonment for not more than 90 days or to payment of a fine of not more than  
4.8 \$1,000, or both, for possession or purchase of one catalytic converter if the value of that  
4.9 catalytic converter is \$500 or less;

4.10 (2) to imprisonment for not more than one year or to payment of a fine of not more than  
4.11 \$3,000, or both, for possession or purchase of:

4.12 (i) two catalytic converters; or

4.13 (ii) one catalytic converter if the value of that catalytic converter is more than \$500 but  
4.14 not more than \$1,000;

4.15 (3) to imprisonment for not more than five years or to payment of a fine of not more  
4.16 than \$10,000, or both, for possession or purchase of:

4.17 (i) three catalytic converters; or

4.18 (ii) one or more catalytic converters if the value of the catalytic converters is more than  
4.19 \$1,000 but not more than \$5,000; and

4.20 (4) to imprisonment for not more than ten years or to payment of a fine of not more than  
4.21 \$20,000, or both, for possession or purchase of one or more catalytic converters if the value  
4.22 of the catalytic converters exceeds \$5,000.

4.23 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
4.24 committed on or after that date.

4.25 Sec. 6. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to  
4.26 read:

4.27 Subd. 6a. **Restitution.** When the court imposes a criminal penalty pursuant to subdivision  
4.28 6, and orders the offender to pay restitution to any identifiable victim, the amount of the  
4.29 out-of-pocket losses considered by the court must include the costs and expenses of replacing  
4.30 a catalytic converter and may include any other restitution costs allowed under section  
4.31 611A.04.

5.1 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
5.2 committed on or after that date.

5.3 Sec. 7. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to  
5.4 read:

5.5 Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful  
5.6 for a person to possess a used catalytic converter that is not attached to a motor vehicle  
5.7 except when:

5.8 (1) the converter is marked with the date the converter was removed from the vehicle  
5.9 and the identification number of the vehicle from which the converter was removed or an  
5.10 alternative number to the vehicle identification number; or

5.11 (2) the converter has been EPA certified for reuse as a replacement part.

5.12 (b) If an alternative number to the vehicle identification number is used, it must be under  
5.13 a numbering system that can be immediately linked to the vehicle identification number by  
5.14 law enforcement. The marking of the vehicle identification or alternative number may be  
5.15 made in any permanent manner, including but not limited to an engraving or use of permanent  
5.16 ink. The marking must clearly and legibly indicate the date removed and the vehicle  
5.17 identification number or the alternative number and the method by which law enforcement  
5.18 can link the converter to the vehicle identification number.

5.19 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
5.20 committed on or after that date.

5.21 Sec. 8. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to  
5.22 read:

5.23 Subd. 12. **Prohibition.** It is unlawful for a person who is not a registered scrap metal  
5.24 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a  
5.25 replacement part except when the catalytic converter is attached to a motor vehicle. A used  
5.26 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a  
5.27 person or business for reuse as a replacement part for a motor vehicle when the requirements  
5.28 of subdivision 11 are met.

5.29 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
5.30 committed on or after that date.

6.1 Sec. 9. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to  
6.2 read:

6.3 Subd. 13. **Audits.** The commissioner of public safety may conduct periodic audits of  
6.4 scrap metal dealers to ensure compliance with the catalytic converter theft prevention  
6.5 requirements of this section.

6.6 Sec. 10. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision  
6.7 to read:

6.8 Subd. 14. **Purchase of catalytic converters.** (a) It is unlawful for a scrap metal dealer  
6.9 to purchase a used catalytic converter not attached to a motor vehicle unless the converter  
6.10 is marked as required under subdivision 11 and the seller provides a copy of the vehicle's  
6.11 title or registration in order to demonstrate the seller's ownership interest in the property.  
6.12 A bona fide business engaged in vehicle dismantling, vehicle demolishing, scrap metal  
6.13 recycling, or automotive repair services may remove a converter as part of auto repair work  
6.14 or auto recycling without a copy of the vehicle's title or registration, if the business provides:

6.15 (1) the identity of the seller's business and a written or electronic signature of the seller;

6.16 (2) an itemized list of each detached catalytic converter being sold that includes the  
6.17 donor vehicle identification number or a unique alternative number that can be readily linked  
6.18 to the vehicle identification number by law enforcement; and

6.19 (3) the date of the removal of each catalytic converter.

6.20 The registered scrap metal dealer purchasing the catalytic converters must keep the  
6.21 transaction record, along with the identity and signature of the employee completing the  
6.22 transaction.

6.23 (b) Notwithstanding paragraph (a), a scrap metal dealer may purchase a catalytic converter  
6.24 from a person possessing an old vehicle that is no longer registered and titled without a  
6.25 copy of the registration or title, if the person has an affidavit from the local law enforcement  
6.26 agency that the agency has verified the person's ownership prior to the removal of the  
6.27 converter from the vehicle.

6.28 (c) A scrap metal dealer who purchases a used catalytic converter not attached to a motor  
6.29 vehicle must record the information received under this subdivision and subdivision 11,  
6.30 including the vehicle identification number or alternative number and the method by which  
6.31 law enforcement can link the converter to the vehicle identification number, and make the  
6.32 information available upon request to law enforcement and effective beginning August 1,

7.1 2024, enter the information into an electronic database available to a law enforcement agency  
7.2 as approved by the commissioner of commerce.

7.3 (d) A scrap metal dealer is prohibited from processing, selling, or removing a catalytic  
7.4 converter from the dealer's premises for at least seven days after the catalytic converter  
7.5 acquisition by the scrap metal dealer.

7.6 (e) A payment for a catalytic converter must not be made until at least five days after  
7.7 sale to the scrap metal dealer. Payment must be sent by check to the seller's address or a  
7.8 bank account in the seller's name.

7.9 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
7.10 committed on or after that date.

7.11 Sec. 11. Minnesota Statutes 2022, section 609.5316, subdivision 3, is amended to read:

7.12 Subd. 3. **Weapons, telephone cloning paraphernalia, automated sales suppression**  
7.13 **devices, catalytic converters, and bullet-resistant vests.** Weapons used are contraband  
7.14 and must be summarily forfeited to the appropriate agency upon conviction of the weapon's  
7.15 owner or possessor for a controlled substance crime; for any offense of this chapter or  
7.16 chapter 624, or for a violation of an order for protection under section 518B.01, subdivision  
7.17 14. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the  
7.18 commission or attempted commission of a crime are contraband and must be summarily  
7.19 forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled  
7.20 substance crime or for any offense of this chapter. Telephone cloning paraphernalia used  
7.21 in a violation of section 609.894, and automated sales suppression devices, phantom-ware,  
7.22 and other devices containing an automated sales suppression or phantom-ware device or  
7.23 software used in violation of section 289A.63, subdivision 12, are contraband and must be  
7.24 summarily forfeited to the appropriate agency upon a conviction. A catalytic converter  
7.25 possessed in violation of section 325E.21 is contraband and must be summarily forfeited  
7.26 to the appropriate agency upon a conviction.

7.27 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to crimes  
7.28 committed on or after that date.

7.29 Sec. 12. **DEPARTMENT OF PUBLIC SAFETY; APPROPRIATION.**

7.30 \$298,000 in fiscal year 2024 and \$298,000 in fiscal year 2025 are appropriated from the  
7.31 general fund to the commissioner of public safety to perform auditing and registration  
7.32 requirements of Minnesota Statutes, section 325E.21.