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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2152

04/07/2015 Authored by O'Neill, Cornish, Hamilton, Hoppe and Mahoney

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance

1.1 A bill for an act
1.2 relating to commerce; removing reporting requirements and references to the
1.3 Minneapolis automated property system; amending Minnesota Statutes 2014,
1.4 sections 168A.1501, subdivisions 1, 6; 325E.21, subdivisions 1, 2; repealing
1.5 Minnesota Statutes 2014, sections 168A.1501, subdivisions 5, 5a; 325E.21,
1.6 subdivisions 1c, 1d; Laws 2014, chapter 190, sections 10; 11.

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

1.8 Section 1. Minnesota Statutes 2014, section 168A.1501, subdivision 1, is amended to
1.9 read:

1.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
1.11 this subdivision have the meanings given.

1.12 (b) "Law enforcement agency" or "agency" means a duly authorized municipal,
1.13 county, state, or federal law enforcement agency.

1.14 (c) "Person" means an individual, partnership, limited partnership, limited liability
1.15 company, corporation, or other entity.

1.16 (d) "Scrap vehicle" means a motor vehicle purchased primarily as scrap, for its reuse
1.17 or recycling value as raw metal, or for dismantling for parts.

1.18 (e) "Scrap vehicle operator" or "operator" means the following persons who engage
1.19 in a transaction involving the purchase or acquisition of a scrap vehicle: scrap metal
1.20 processors licensed under section 168.27, subdivision 1a, paragraph (c); used vehicle parts
1.21 dealers licensed under section 168.27, subdivision 1a, paragraph (d); scrap metal dealers
1.22 under section 325E.21; and junk yards under section 471.925.

1.23 (f) ~~"Interchange file specification format" means the most recent version of the~~
1.24 ~~Minneapolis automated property system interchange file specification format.~~

1.25 (g) "Motor vehicle" has the meaning given in section 169.011, subdivision 42.

2.1 ~~(h)~~ (g) "Proof of identification" means a driver's license, Minnesota identification
 2.2 card number, or other identification document issued for identification purposes by any
 2.3 state, federal, or foreign government if the document includes the person's photograph,
 2.4 full name, birth date, and signature.

2.5 ~~(i)~~ (h) "Seller" means any seller, prospective seller, or agent of the seller.

2.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.7 Sec. 2. Minnesota Statutes 2014, section 168A.1501, subdivision 6, is amended to read:

2.8 Subd. 6. **Additional reporting.** ~~In addition to the requirements under subdivision~~
 2.9 ~~5 if applicable,~~ The following entities must submit information on the purchase or
 2.10 acquisition of a scrap vehicle to the National Motor Vehicle Title Information System,
 2.11 established pursuant to United States Code, title 49, section 30502, by the close of
 2.12 business the following day:

2.13 (1) an operator who is not licensed under section 168.27; and

2.14 (2) an operator who purchases a scrap vehicle under subdivision 9.

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.16 Sec. 3. Minnesota Statutes 2014, section 325E.21, subdivision 1, is amended to read:

2.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
 2.18 this subdivision have the meanings given.

2.19 (b) "Law enforcement agency" or "agency" means a duly authorized municipal,
 2.20 county, state, or federal law enforcement agency.

2.21 (c) "Person" means an individual, partnership, limited partnership, limited liability
 2.22 company, corporation, or other entity.

2.23 (d) "Scrap metal" means:

2.24 (1) wire and cable commonly and customarily used by communication and electric
 2.25 utilities; and

2.26 (2) copper, aluminum, or any other metal purchased primarily for its reuse or
 2.27 recycling value as raw metal, including metal that is combined with other materials at the
 2.28 time of purchase, but does not include a scrap vehicle as defined in section 168A.1501,
 2.29 subdivision 1.

2.30 (e) "Scrap metal dealer" or "dealer" means a person engaged in the business of
 2.31 buying or selling scrap metal, or both.

3.1 The terms do not include a person engaged exclusively in the business of buying or selling
3.2 new or used motor vehicles, paper or wood products, rags or furniture, or secondhand
3.3 machinery.

3.4 ~~(f) "Interchange file specification format" means the most recent version of the~~
3.5 ~~Minneapolis automated property system interchange file specification format.~~

3.6 ~~(g) "Seller" means any seller, prospective seller, or agent of the seller.~~

3.7 ~~(h)~~ (g) "Proof of identification" means a driver's license, Minnesota identification
3.8 card number, or other identification document issued for identification purposes by any
3.9 state, federal, or foreign government if the document includes the person's photograph,
3.10 full name, birth date, and signature.

3.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.12 Sec. 4. Minnesota Statutes 2014, section 325E.21, subdivision 2, is amended to read:

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

3.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.16 Sec. 5. **REPEALER.**

3.17 (a) Minnesota Statutes 2014, sections 168A.1501, subdivisions 5 and 5a; and
3.18 325E.21, subdivisions 1c and 1d, are repealed.

3.19 (b) Laws 2014, chapter 190, sections 10; and 11, are repealed.

3.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

168A.1501 SCRAPPED, DISMANTLED, OR DESTROYED VEHICLE.

Subd. 5. **Automated property system.** (a) A scrap vehicle operator must completely and accurately provide all the record information required in subdivision 2 by transferring it from the operator's computer to the automated property system, by the close of business each day, using the interchange file specification format.

(b) An operator who does not have an electronic point-of-sale program may request to be provided software by the automated property system to record the required information. If the operator uses a commercially available electronic point-of-sale program to record the information required in this section, it must submit the information using the interchange file specification format. Any record submitted by an operator that does not conform to the interchange file specification format must be corrected and resubmitted the next business day.

(c) An operator must display a sign of sufficient size, in a conspicuous place in the premises, which informs all patrons that transactions are reported to law enforcement daily.

(d) Every local law enforcement agency shall participate in the automated property system as an individual agency or in conjunction with another agency or agencies to provide the service.

(e) This subdivision does not apply to the purchase of a scrap vehicle by a used vehicle parts dealer licensed under section 168.27, for dismantling the vehicle for its parts.

Subd. 5a. **Fee schedule; audits; reports.** (a) The city of Minneapolis may charge a fee to an operator for use of the automated property system required under subdivision 5. The fee is intended to cover the reasonable costs of operating and maintaining the system under this section and section 325E.21, subdivision 1c. The fee may not exceed 72 cents per transaction for the first four years of operation. Thereafter, the city may adjust the fee schedule to reflect the ongoing, reasonable costs of operating and maintaining the system.

(b) The state auditor may examine the fee schedule and associated costs under paragraph (a) at any time. The state auditor may bill the city of Minneapolis for the costs of the examination pursuant to sections 6.56, 6.57, and 6.59.

(c) The city of Minneapolis shall report to the state auditor and chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over commerce and criminal justice policy by January 15 of each even-numbered year until January 15, 2020, and every four years thereafter. The report shall include the following information relating to the automated property system: the formula used to determine or adjust the fee schedule, the direct costs of operating and maintaining the system, and a summary of receipts and expenses incurred during the reporting period. The report shall be combined with the report required under section 325E.21, subdivision 1d, paragraph (c). Section 3.195 applies to this paragraph.

(d) For purposes of this subdivision, "transaction" means an entry into the automated property system of a new record or records containing the information required under subdivision 2 per seller.

325E.21 DEALERS IN SCRAP METAL; RECORDS, REPORTS, AND REGISTRATION.

Subd. 1c. **Automated property system.** (a) Dealers must completely and accurately provide all the record information required in subdivision 1b by transferring it from their computer to the automated property system, by the close of business each day, using the interchange file specification format.

(b) A dealer who does not have an electronic point-of-sale program may request to be provided software by the automated property system to record the required information. If the dealer uses a commercially available electronic point-of-sale program to record the information required in this section, it must submit the information using the interchange file specification format. Any record submitted by a dealer that does not conform to the interchange file specification format must be corrected and resubmitted the next business day.

(c) A dealer must display a sign of sufficient size, in a conspicuous place in the premises, which informs all patrons that transactions are reported to law enforcement daily.

(d) Every local law enforcement agency shall participate in the automated property system as an individual agency or in conjunction with another agency or agencies to provide the service.

Subd. 1d. **Fee schedule; audit; reports.** (a) The city of Minneapolis may charge a fee to a dealer for use of the automated property system required under subdivision 1c. The fee is intended to cover the direct costs of operating and maintaining the system under this section and section 168A.1501, subdivision 5. The fee may not exceed 72 cents per transaction for the first four years

APPENDIX

Repealed Minnesota Statutes: 15-3955

of operation. Thereafter, the city may adjust the fee schedule to reflect the ongoing, reasonable costs of operating and maintaining the system.

(b) The state auditor may examine the fee schedule and associated costs under paragraph (a) at any time. The state auditor may bill the city of Minneapolis for the costs of the examination pursuant to sections 6.56, 6.57, and 6.59.

(c) The city of Minneapolis shall report to the state auditor and chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over commerce and criminal justice policy by January 15 of each even-numbered year until January 15, 2020, and every four years thereafter. The report shall include the following information on the automated property system: formula used to determine or adjust the fee schedule, the direct costs of operating and maintaining the system, and a summary of receipts and expenses incurred during the reporting period. The report shall be combined with the report required under section 168A.1501, subdivision 5a, paragraph (c). Section 3.195 applies to this paragraph.

(d) For purposes of this subdivision, "transaction" means an entry into the automated property system of a new record or records containing the information required under subdivision 1b per seller.

APPENDIX
Repealed Minnesota Session Laws: 15-3955

Laws 2014, chapter 190, section 10

Sec. 10. ENFORCEMENT; GRACE PERIOD.

The requirements of Minnesota Statutes, sections 168A.1501, subdivision 5; and 325E.21, subdivision 1c, may not be enforced until May 15, 2016.

Laws 2014, chapter 190, section 11

Sec. 11. EFFECTIVE DATE; LOCAL APPROVAL.

Sections 2 and 5 are effective the day after the governing body of the city of Minneapolis and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.