

A bill for an act
relating to public safety; expanding an existing law enforcement tool regarding
record keeping of purchases of scrap metal dealers; requiring registrations;
providing a tax credit to certain dealers; establishing criminal penalties;
appropriating money; amending Minnesota Statutes 2006, section 325E.21;
proposing coding for new law in Minnesota Statutes, chapters 290; 609.

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

Section 1. **[290.0681] SCRAP METAL DEALER CREDIT.**

Subdivision 1. **Credit allowed.** A scrap metal dealer as defined in section 325E.21
is allowed a credit against the income or franchise tax computed under section 290.06,
subdivision 1 or 2c, as applicable, for the taxable year equal to percent of qualifying
expenditures.

Subd. 2. **Qualifying expenditures.** "Qualifying expenditures" means the
acquisition costs associated with the purchase or acquisition of automated reporting
computer hardware and software and video surveillance equipment, as required under
section 325E.21.

Subd. 3. **Limitation; carryover.** (a) The credit for the taxable year shall not exceed
the liability for tax. For purposes of this section, "liability for tax" means the tax imposed
under this chapter for the taxable year reduced by the sum of the nonrefundable credits
allowed under this chapter.

(b) If the amount of the credit determined under this section for any taxable year
exceeds the limitation under paragraph (a), the excess shall be a replacement credit
carryover to each of the succeeding taxable years. The entire amount of the excess
unused credit for the taxable year shall be carried first to the earliest of the taxable years to
which the credit may be carried and then to each successive year to which the credit may

be carried. The amount of the unused credit which may be added under this paragraph shall not exceed the taxpayer's liability for tax less the credit allowed for the taxable year.

Sec. 2. Minnesota Statutes 2006, section 325E.21, is amended to read:

**325E.21 DEALERS IN ~~WIRE AND CABLE~~ SCRAP METAL; RECORDS
AND, REPORTS, AND REGISTRATION.**

Subdivision 1. **Purchase or acquisition record required.** Every ~~person, firm or corporation~~ scrap metal dealer, including an agent, employee, or representative ~~thereof of~~ the dealer, ~~engaging in the business of buying and selling wire and cable commonly and customarily used by communication and electric utilities~~ shall keep a record, in the English language, legibly written in ink or typewriting, at the time of each purchase or acquisition, an accurate account or description, including the weight if customarily purchased by weight, of ~~such wire and cable commonly and customarily used by communication and electric utilities~~ the scrap metal purchased or acquired, the date, time, and place of the receipt of the same, the name and address of the person selling or delivering the same ~~and~~, the number of the check used to purchase the scrap metal, the number of the driver's license of ~~such~~ the person, and the license plate number of the vehicle used by the person when delivering the scrap metal. ~~Such~~ The record, as well as ~~such wire and cable commonly and customarily used by communication and electric utilities~~ the scrap metal purchased or received, shall at all reasonable times be open to the inspection of any ~~sheriff or deputy sheriff of the county, or of any police officer in any incorporated city or statutory city, in which such business may be carried on~~ law enforcement agency. ~~Such~~ The person shall not be required to furnish or keep such record of any property purchased from merchants, manufacturers or wholesale dealers, having an established place of business, or of any goods purchased at open sale from any bankrupt stock, but a bill of sale or other evidence of open or legitimate purchase of ~~such~~ the property shall be obtained and kept by ~~such~~ the person which must be shown upon demand to the ~~sheriff or deputy sheriff of the county, or to any police officer in any incorporated city or statutory city, in which such business may be carried on.~~ The provisions of this subdivision and of subdivision 2 shall not apply to or include any person, firm or corporation engaged exclusively in the ~~business of buying or selling motor vehicles, new or used, paper or wood products, rags or furniture, secondhand machinery~~ any law enforcement agency.

Subd. 2. **Sheriff's copy of record required.** (a) It shall be the duty of every ~~such~~ person, ~~firm or corporation defined in~~ that is subject to subdivision 1 ~~hereof~~, to make out and to deliver or mail to the office of the sheriff of the county in which business is conducted, not later than the second business day of each week, a legible and correct copy

of the record required in subdivision 1 of the entries during the preceding week. In the event ~~such~~ the person, firm or corporation has not made any purchases or acquisitions required to be recorded under subdivision 1 ~~hereof~~ during the preceding week, no report need be submitted to the sheriff under this subdivision.

(b) The duty imposed by paragraph (a) may be discharged by a person submitting the record electronically by means of an automated reporting system.

Subd. 2a. **Holding periods.** (a) A scrap metal dealer may not sell any scrap metal purchased or acquired until five business days after the record of that purchase or acquisition was transmitted to the sheriff under subdivision 2, paragraph (b).

(b) A scrap metal dealer may not sell any scrap metal purchased or acquired until ten business days after the record of that purchase or acquisition was delivered or mailed to the sheriff under subdivision 2, paragraph (a).

Subd. 3. **Retention required.** Records required to be maintained by ~~subdivision 1~~ subdivisions 1 and 5 shall be retained by the person making them for a period of three years.

Subd. 4. **Payment by check required.** A scrap metal dealer shall pay for all scrap metal purchases only by check. For purposes of this section, "check" means a check, draft, or other negotiable or nonnegotiable order of withdrawal which is drawn against funds held by a financial institution.

Subd. 5. **Video security cameras required.** (a) The scrap metal dealer shall install and maintain at each licensed location video surveillance cameras or similar devices positioned to record (1) a frontal view showing the face of each seller or prospective seller of scrap metal who enters the licensed location; and (2) the seller's or prospective seller's vehicle so that an accurate and complete description of it may be obtained from the recordings made by the cameras. The video camera must be kept in operating condition. The camera must record and display the accurate date and time. The video camera must be turned on at all times when the licensed location is open for business and at any other time when scrap metal is purchased.

(b) If the scrap metal dealer does not purchase some or any scrap metal at a specific business location, the dealer need not comply with this subdivision with respect to those purchases.

Subd. 6. **Registration required.** (a) Every scrap metal dealer doing business in this state, whether or not the scrap metal dealer maintains a regular place of business in this state, shall register with the commissioner of public safety as a scrap metal dealer on a form prescribed by that commissioner.

(b) To be eligible for or to maintain a scrap metal dealer registration, a person must operate lawfully and fairly within the purposes of this section and the applicable local ordinance and:

(1) may not be a minor at the time that the application for a scrap metal dealer registration is filed;

(2) may not have been convicted of any crime directly related to the occupation licensed as prescribed by section 364.03, subdivision 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a registrant under this section as prescribed by section 364.03, subdivision 3; and

(3) must be of good moral character or repute.

(c) Any change, directly or beneficially, in the ownership of any registered scrap metal dealer shall require the application for a new registration and the new owner must satisfy all current eligibility requirements.

(d) The registration must include at least the scrap metal dealer's name, physical location, contact information, and the types of scrap metal the dealer buys and sells.

(e) The registration is valid for three years and must be accompanied by a registration fee of \$..... The fee must be deposited in the special revenue fund.

Subd. 7. **Criminal penalty.** A scrap metal dealer, or the agent, employee, or representative of the dealer, who buys or receives any scrap metal that the dealer knows or reasonably should know is ordinarily used by or ordinarily belongs to a railroad or other transportation, telephone, telegraph, gas, water or electric company, utility, or county, city, or other political subdivision of this state engaged in furnishing public utility service; without using due diligence to ascertain that the person selling or delivering the same has a legal right to do so, is guilty of a gross misdemeanor.

Subd. 8. **Local regulation.** A local unit of government may license or otherwise regulate the purchase and sale of scrap metal and may establish more stringent requirements on scrap metal dealers than are established in this section.

Subd. 9. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

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

(c) "Scrap metal" means:

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

(2) copper, aluminum, or any other metal purchased primarily for its reuse or recycling value as raw metal, including metal that is combined with other materials at the time of purchase.

(d) "Scrap metal dealer" or "dealer" means a person engaged in the business of buying and selling scrap metal, but does not include a person engaged exclusively in the business of buying or selling motor vehicles, new or used; paper or wood products; rags or furniture; or secondhand machinery.

EFFECTIVE DATE. This section is effective August 1, 2007.

Sec. 3. **[609.593] DAMAGE OR THEFT TO ENERGY TRANSMISSION EQUIPMENT.**

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected therewith, any wire, cable, or current thereof; or

(2) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part thereof, or any valve, meter, holder, compressor, machinery, appurtenance, equipment, or apparatus connected with any such main or pipeline; is guilty of a crime and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalty.** Whoever violates subdivision 1 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 4. **APPROPRIATION.**

\$..... is appropriated from the special revenue fund to the commissioner of public safety for fiscal years 2008 to 2009 for the purpose of section 2, subdivision 6.

Sec. 5. **EFFECTIVE DATE; APPLICATION.**

Section 3 is effective August 1, 2007 and applies to crimes committed on or after that date.