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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1214

03/04/2013 Authored by Mahoney, Paymar, Lesch, Mariani, Johnson, S., and others
The bill was read for the first time and referred to the Committee on Public Safety Finance and Policy
03/07/2013 Adoption of Report: Pass and re-referred to the Committee on Judiciary Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; regulating motor vehicles; amending regulation of scrap
1.3 metal processing; requiring proof of ownership or hold period for vehicles
1.4 purchased for scrap; creating the automated property system; creating criminal
1.5 penalties; amending Minnesota Statutes 2012, sections 168.27, subdivisions 1a,
1.6 19a, 23, 24; 168A.153, subdivisions 1, 3; 325E.21, subdivisions 1, 1a, 3, 6, 8, 9,
1.7 by adding subdivisions; repealing Minnesota Statutes 2012, section 168A.153,
1.8 subdivision 2.

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

1.10 Section 1. Minnesota Statutes 2012, section 168.27, subdivision 1a, is amended to read:

1.11 Subd. 1a. **Dealer license categories.** (a) No person shall engage in the business of
1.12 selling new motor vehicles or shall offer to sell, solicit, deliver, or advertise the sale of
1.13 new motor vehicles without first acquiring a new motor vehicle dealer license.

1.14 (b) No person shall engage in the business of selling used motor vehicles or shall
1.15 offer to sell, solicit, deliver, or advertise the sale of used motor vehicles without first
1.16 acquiring a used motor vehicle dealer license.

1.17 (c) No person shall engage in the business of buying or otherwise acquiring vehicles
1.18 ~~other than hulks~~; or offering to buy or otherwise acquire, or soliciting or advertising the
1.19 buying or acquiring of, vehicles ~~other than hulks~~ for processing and selling the metal for
1.20 remelting without first acquiring a scrap metal processor license.

1.21 ~~For purposes of this paragraph, a "hulk" is a motor vehicle that is incapable, under~~
1.22 ~~its own power, of moving and is incapable of transporting persons or property and has had~~
1.23 ~~valuable used parts removed. Its sole value is its metallic content.~~

1.24 (d) No person shall be primarily engaged in the business of buying or otherwise
1.25 acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and
1.26 the remaining scrap metals without first acquiring a used vehicle parts dealer license.

2.1 (e) No person shall engage in the business of storing and displaying, offering to store
 2.2 or display, or soliciting or advertising the storing or displaying, for sale, of damaged
 2.3 or junked vehicles as an agent or escrow agent of an insurance company without first
 2.4 acquiring a vehicle salvage pool license.

2.5 (f) No person shall engage in the business of leasing motor vehicles or shall offer to
 2.6 lease, solicit or advertise to lease motor vehicles without first acquiring a motor vehicle
 2.7 lessor license.

2.8 (g) No person shall engage in the business of wholesaling motor vehicles to dealers
 2.9 for resale or shall offer to sell, solicit or advertise the sale of motor vehicles to dealers for
 2.10 resale without first acquiring a motor vehicle wholesaler license.

2.11 (h) No person shall engage in the business of auctioning motor vehicles for more
 2.12 than one owner at an auction or shall offer to sell, solicit or advertise the sale of motor
 2.13 vehicles at auction without first acquiring a motor vehicle auctioneer license.

2.14 (i) No person shall engage in the business of brokering motor vehicles without first
 2.15 acquiring a motor vehicle broker's license.

2.16 **EFFECTIVE DATE.** This section is effective August 1, 2013.

2.17 Sec. 2. Minnesota Statutes 2012, section 168.27, subdivision 19a, is amended to read:

2.18 Subd. 19a. **Injunction.** The commissioner or a county attorney may institute a civil
 2.19 action in the name of the state in district court for an injunction prohibiting a violation of
 2.20 this section and for civil penalties not to exceed \$1,000 for each violation of subdivision
 2.21 2, 3, 3a, 4, 5a, 6, 7, or 7a, or section 325E.21. The court, upon proper proof that the
 2.22 defendant has engaged in a practice prohibited by this section, may enjoin the future
 2.23 commission of that practice and award civil penalties for violations of subdivision 2, 3, 3a,
 2.24 4, 5a, 6, 7, or 7a, or section 325E.21. It is not a defense to an action that the state may have
 2.25 adequate remedies at law. Service of process must be as in any other civil suit, except that
 2.26 where a defendant in the action is a natural person or firm residing outside the state, or is a
 2.27 foreign corporation, service of process may also be made by personal service outside the
 2.28 state; in the manner provided by section 5.25; or as the court may direct. Process is valid
 2.29 if it satisfies the requirements of due process of law, whether or not the defendant is doing
 2.30 business in Minnesota regularly or habitually. Nothing in this subdivision limits the rights
 2.31 or remedies otherwise available to persons under common law or other statutes of this state.

2.32 **EFFECTIVE DATE.** This section is effective August 1, 2013.

2.33 Sec. 3. Minnesota Statutes 2012, section 168.27, subdivision 23, is amended to read:

3.1 Subd. 23. ~~Registrar may file charges~~ County or city attorney to prosecute. The
 3.2 registrar or the registrar's appointed inspectors may file charges with the county attorney
 3.3 may file charges against any licensee who violates any of the provisions of this section or
 3.4 section 325E.21, including but not limited to, the grounds for suspension or revocation
 3.5 set out in subdivision 12.

3.6 **EFFECTIVE DATE.** This section is effective August 1, 2013.

3.7 Sec. 4. Minnesota Statutes 2012, section 168.27, subdivision 24, is amended to read:

3.8 Subd. 24. **Bonds.** (a) Except as otherwise provided in this subdivision, all persons
 3.9 licensed according to this section shall keep in full force and effect a bond with a corporate
 3.10 surety to be approved by the registrar of motor vehicles in the following amounts; in the
 3.11 case of boat trailer, snowmobile trailer, horse trailer or motorized bicycle dealers, or
 3.12 dealers in trailers with a manufacturer's rated carrying capacity under 15,000 pounds
 3.13 designed to transport small construction or farm equipment, in the amount of \$5,000; and
 3.14 as to all other persons in the amount of \$50,000. The bond must be conditioned on the
 3.15 faithful performance by the licensee of the obligations imposed on persons engaged in
 3.16 motor vehicle transactions by the laws of this state, including the conduct required of a
 3.17 licensee by this section, section 325E.21, and other sections governing the sale or transfer
 3.18 of motor vehicles, and the payment of all taxes, license fees, and penalties. The bond must
 3.19 be for the benefit of the state of Minnesota and any transferor, seller, ~~or purchaser,~~ or
 3.20 owner of a motor vehicle for any monetary loss caused by failure of the licensee to meet
 3.21 the obligations enumerated above. Proceedings on the forfeiture of the bonds must be
 3.22 commenced in the district court of the county wherein the business of the licensed person
 3.23 was carried on, or if in more than one county, the county in which the offense occurred. This
 3.24 subdivision does ~~not~~ apply to a used vehicle parts dealer ~~or~~ and a scrap metal processor.

3.25 (b) This subdivision does not apply to:

3.26 (1) a dealer in new trailers designed to transport small construction or farm
 3.27 equipment in any year following a year in which the dealer had less than \$500,000 in gross
 3.28 receipts from the sale of such trailers; or

3.29 (2) a dealer in new trailers designed to transport small construction or farm
 3.30 equipment who has been a dealer in such trailers for less than one year and who the
 3.31 department reasonably determines will have gross receipts of less than \$500,000 during
 3.32 the first year of business.

3.33 **EFFECTIVE DATE.** This section is effective August 1, 2013.

4.1 Sec. 5. Minnesota Statutes 2012, section 168A.153, subdivision 1, is amended to read:

4.2 Subdivision 1. **Older model vehicle Report of vehicle purchased for scrap.** (a) A
 4.3 dealer who ~~buys an older model~~ purchases or accepts for purchase a motor vehicle to be
 4.4 dismantled or destroyed shall report to the department ~~within 30 days including the vehicle's~~
 4.5 ~~license plate number and identification number, and the seller's name and driver's license~~
 4.6 ~~number,~~ by the close of business the day after the transaction, the following information:

- 4.7 (1) the vehicle's license plate number and vehicle identification number (VIN);
 4.8 (2) the make, model, and color of the motor vehicle;
 4.9 (3) the seller's name and driver's license number or number on an identification card;
 4.10 (4) the receipt and bill of sale;
 4.11 (5) the title number or, if no title, the bill of sale; and
 4.12 (6) any applicable hold period under section 325E.21 and the expiration date of
 4.13 the hold.

4.14 (b) If a conditional sale under section 325E.21 is canceled, the dealer must
 4.15 immediately report the cancellation to the department. The dealer shall notify any secured
 4.16 party of the transaction within five business days after accepting the motor vehicle.

4.17 **EFFECTIVE DATE.** This section is effective August 1, 2013.

4.18 Sec. 6. Minnesota Statutes 2012, section 168A.153, subdivision 3, is amended to read:

4.19 Subd. 3. **Notification on vehicle to be dismantled or destroyed; service fee.**
 4.20 ~~Within the time frames prescribed in subdivisions 1 and 2 of acquiring a vehicle titled and~~
 4.21 ~~registered in Minnesota, a dealer shall notify the registrar that the dealership purchased the~~
 4.22 ~~vehicle to be dismantled or destroyed.~~ The dealer must maintain the certificate of title on
 4.23 the vehicle for three years before destroying the title as prescribed by the commissioner.

4.24 The notification under subdivision 1 must be made electronically as prescribed by the
 4.25 registrar. The dealer may contract this service to a deputy registrar and the registrar may
 4.26 charge a fee not to exceed \$7 per transaction to provide this service.

4.27 **EFFECTIVE DATE.** This section is effective August 1, 2013.

4.28 Sec. 7. Minnesota Statutes 2012, section 325E.21, subdivision 1, is amended to read:

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

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

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

5.3 (d) "Scrap metal" means:

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

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

5.9 (e) "Scrap metal dealer" or "dealer" means:

5.10 (1) a scrap metal processor licensee or used vehicle parts dealer licensee under
5.11 section 168.27;

5.12 (2) a used motor vehicle dealer licensee who engages in the business of buying or
5.13 otherwise acquiring vehicles for dismantling and selling used parts and remaining scrap
5.14 materials; and

5.15 (3) a person engaged in the business of buying or selling scrap metal, or both, but does
5.16 The terms do not include a person engaged exclusively in the business of buying or selling
5.17 new or motor vehicles, used motor vehicles or motor vehicle parts other than as specified
5.18 in clause (2), paper or wood products, rags or furniture, or secondhand machinery.

5.19 (f) "Interchange file specification format" means the current version of the
5.20 Minneapolis automated property system interchange file specification format.

5.21 (g) "Billable transaction fee" means the fee assessed by the automated property
5.22 system to the jurisdiction in which a dealer is located.

5.23 (h) "Hold period" means a period of consecutive business days, excluding Saturdays,
5.24 Sundays, and holidays, during which time a motor vehicle may not be scrapped, resold,
5.25 dismantled, or destroyed.

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

5.27 (j) "Proof of identification" means a valid driver's license; valid Minnesota
5.28 identification card; or valid driver's license or identification card issued by another state
5.29 or province of Canada, if the document includes the person's photograph, full name,
5.30 birth date, and signature.

5.31 **EFFECTIVE DATE.** This section is effective August 1, 2013.

5.32 Sec. 8. Minnesota Statutes 2012, section 325E.21, subdivision 1a, is amended to read:

5.33 Subd. 1a. **Purchase or acquisition record required.** (a) Every scrap metal
5.34 dealer, including an agent, employee, or representative of the dealer, shall ~~keep~~ create a

6.1 permanent record, written in English, using ink or an electronic record program, at the
 6.2 time of each purchase or acquisition of scrap metal. The record must include:

6.3 (1) ~~an~~ a complete and accurate account or description, including the weight if
 6.4 customarily purchased by weight, of the scrap metal purchased or acquired;

6.5 (2) if the scrap metal purchased or acquired is a motor vehicle, the vehicle
 6.6 identification number; license plate number, if any, including state of issue and month and
 6.7 year of validation; and vehicle make, model, and color;

6.8 ~~(2)~~ (3) the date, time, and place of the receipt of the scrap metal purchased or
 6.9 acquired and a unique transaction identifier;

6.10 ~~(3)~~ (4) the full name and, residence address, primary telephone number, and an
 6.11 accurate description of the person selling or delivering the scrap metal, including sex,
 6.12 height, weight, eye color, hair color, and if known, race;

6.13 ~~(4)~~ (5) the amount paid, and the number of the check or electronic transfer used to
 6.14 purchase the scrap metal;

6.15 (6) if the scrap metal purchased or acquired is a motor vehicle, whether it is a
 6.16 conditional sale;

6.17 ~~(5)~~ (7) the identification number and state of issue of the seller's or deliverer's
 6.18 driver's license, Minnesota identification card number, or other identification document
 6.19 number of an identification document issued for identification purposes by any state,
 6.20 federal, or foreign government if the document includes the person's photograph, full
 6.21 name, birth date, and signature proof of identification; and

6.22 ~~(6)~~ (8) the license plate number and description of the vehicle used by the person
 6.23 when delivering the scrap metal, including the vehicle make and model, and any identifying
 6.24 marks on the vehicle, such as a business name, decals, or markings, if applicable;

6.25 (9) a digital color photograph or single frame color image from a digital video
 6.26 recording that clearly and accurately depicts the scrap metal offered for sale, including
 6.27 the license plate if affixed and the scrap metal is a motor vehicle, and a front facial view
 6.28 of the person selling or delivering the scrap metal. Photographs must be clearly and
 6.29 accurately associated with their respective record;

6.30 (10) a statement signed by the seller, under penalty of perjury, attesting that the
 6.31 scrap metal is not stolen and is free of any liens or encumbrances and the seller has the
 6.32 right to sell it;

6.33 (11) a duplicate copy of the title, if any, provided by the seller of a motor vehicle; and

6.34 (12) a duplicate copy of the receipt, which must include at least the following
 6.35 information: the name and address of the dealer, the date and time the scrap metal was

7.1 received by the dealer, an accurate description of the scrap metal, the signature of the
 7.2 seller, and the amount paid for the scrap metal.

7.3 (b) The record, as well as the scrap metal purchased or received, shall at all
 7.4 reasonable times be open to the inspection of any law enforcement agency.

7.5 (c) No record is required for property purchased from merchants, manufacturers or
 7.6 wholesale dealers, having an established place of business, or of any goods purchased
 7.7 at open sale from any bankrupt stock, but a bill of sale or other evidence of open or
 7.8 legitimate purchase of the property shall be obtained and kept by the person, which must
 7.9 be shown upon demand to any law enforcement agency.

7.10 (d) The dealer must provide a copy of the receipt required under paragraph (a),
 7.11 clause (12), to the seller in every transaction.

7.12 (e) Law enforcement agencies in the jurisdiction where a dealer is located may
 7.13 conduct regular and routine inspections to ensure compliance, refer violations to county
 7.14 attorney offices for criminal prosecution, and notify the registrar of motor vehicles. The
 7.15 registrar shall inspect a dealer who holds a license under section 168.27 every 18 months
 7.16 to ensure compliance.

7.17 (f) Local jurisdictions in which dealers are located are authorized to recover costs
 7.18 associated with compliance activities under paragraph (e) from the dealer, including
 7.19 automated property system billable transaction fees.

7.20 ~~(d)~~ (g) Except as otherwise provided in this section, a scrap metal dealer or the
 7.21 dealer's agent, employee, or representative may not disclose personal information
 7.22 concerning a customer without the customer's consent unless the disclosure is made
 7.23 in response to a request from a law enforcement agency. A scrap metal dealer must
 7.24 implement reasonable safeguards to protect the security of the personal information and
 7.25 prevent unauthorized access to or disclosure of the information. For purposes of this
 7.26 paragraph, "personal information" is any individually identifiable information gathered in
 7.27 connection with a record under paragraph (a).

7.28 **EFFECTIVE DATE.** This section is effective August 1, 2013.

7.29 Sec. 9. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision
 7.30 to read:

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

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

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

8.11 Sec. 10. Minnesota Statutes 2012, section 325E.21, subdivision 3, is amended to read:

8.12 Subd. 3. **Payment by check or electronic transfer required.** (a) A scrap metal
 8.13 dealer or the dealer's agent, employee, or representative shall pay for all scrap metal
 8.14 purchases over \$100 and for all motor vehicles only by check or electronic transfer as
 8.15 provided in paragraph (c).

8.16 (b) For purchases not identified in paragraph (a), payment may be made by check as
 8.17 provided in paragraph (c), or by electronic transfer.

8.18 (c) For payment by check, the scrap metal dealer or the dealer's agent, employee,
 8.19 or representative must send the check by certified mail, return receipt requested, to the
 8.20 seller's home or business address on the first business day following the completion
 8.21 of the transaction. Checks shall be payable only to the individual providing proof of
 8.22 identification at the time of purchase.

8.23 **EFFECTIVE DATE.** This section is effective August 1, 2013.

8.24 Sec. 11. Minnesota Statutes 2012, section 325E.21, subdivision 6, is amended to read:

8.25 Subd. 6. **Criminal penalty penalties.** (a) Except as provided in paragraphs (b) and
 8.26 (c), a scrap metal dealer, or the agent, employee, or representative of the dealer, who
 8.27 intentionally violates a provision of this section, is guilty of a misdemeanor.

8.28 (b) A scrap metal processor, or an agent, employee, or representative of a scrap
 8.29 metal processor who is convicted of violating this section a second time within a period of
 8.30 five years, is guilty of a gross misdemeanor.

8.31 (c) A scrap metal processor, or an agent, employee, or representative of a scrap metal
 8.32 processor, who is convicted of violating this section a third or subsequent time within a
 8.33 period of five years is guilty of a felony and may be sentenced to imprisonment for not
 8.34 more than three years or to payment of a fine of not more than \$5,000, or both.

9.1 (d) Criminal penalties under this section are in addition to other remedies provided
 9.2 by law.

9.3 **EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes
 9.4 committed on or after that date.

9.5 Sec. 12. Minnesota Statutes 2012, section 325E.21, subdivision 8, is amended to read:

9.6 Subd. 8. **Property held by law enforcement Investigative holds; confiscation of**
 9.7 **vehicles.** (a) Whenever a law enforcement official from any agency has ~~probable cause~~
 9.8 ~~to believe that property in the possession of~~ notifies a scrap metal dealer is ~~stolen or is~~
 9.9 ~~evidence of a crime and notifies the dealer not to sell the~~ an item, ~~the item may not be sold~~
 9.10 ~~or removed~~ the scrap metal dealer shall not (1) process or sell the item, or (2) remove or
 9.11 allow its removal from the premises. This investigative hold remains must be confirmed in
 9.12 writing by the originating agency within 72 hours and will remain in effect for 90 30 days
 9.13 from the date of initial notification, or until it the investigative hold is canceled or a seizure
 9.14 order is issued renewed, or until an order to confiscate is issued, whichever comes first.

9.15 (b) If an item is identified as stolen or evidence in a criminal case, ~~the~~ a law
 9.16 enforcement official or designee may:

9.17 (1) physically ~~seize~~ confiscate and remove it from the scrap metal dealer, pursuant to
 9.18 a written order ~~from the law enforcement official~~; or

9.19 (2) place the item on hold or extend the hold ~~as provided in this section and leave it~~
 9.20 ~~in the shop~~ under paragraph (a) and leave it in the licensed premise.

9.21 (e) When an item is ~~seized~~ confiscated, the person doing so shall provide
 9.22 identification upon request of the scrap metal dealer, and shall provide ~~the dealer~~ the name
 9.23 and telephone number of the seizing confiscating agency and investigator, and the case
 9.24 number related to the seizure confiscation.

9.25 (d) ~~A dealer may request seized property be returned in accordance with section~~
 9.26 ~~626.04.~~

9.27 (e) (c) When an investigative hold or order to hold or seize confiscate is no longer
 9.28 necessary, the law enforcement official or designee shall so notify the ~~dealer~~ licensee.

9.29 (d) If an order to confiscate is not issued during the investigative hold, or a law
 9.30 enforcement official does not physically remove the motor vehicle from the premises
 9.31 within 15 calendar days from issuance of the order, a scrap metal dealer may process
 9.32 or otherwise dispose of the motor vehicle.

9.33 **EFFECTIVE DATE.** This section is effective August 1, 2013.

10.1 Sec. 13. Minnesota Statutes 2012, section 325E.21, subdivision 9, is amended to read:

10.2 Subd. 9. **Video security cameras required.** (a) Each scrap metal dealer shall install
 10.3 and maintain at each location digital color video surveillance cameras, or digital color
 10.4 still digital cameras, or similar devices positioned to record or photograph a frontal view
 10.5 showing a readily identifiable image of the face of each seller or prospective seller of scrap
 10.6 metal who enters the location. The scrap metal dealer shall also photograph the seller's or
 10.7 prospective seller's vehicle, including license plate, either by digital color video camera or
 10.8 digital color still digital camera, so that an accurate and complete description of it may
 10.9 be obtained from the recordings made by the cameras. The digital color video camera
 10.10 or still digital camera must be kept in operating condition and must be shown to a law
 10.11 enforcement officer for inspection upon request. The camera must record and display the
 10.12 accurate date and time. The video camera must be turned on at all times when the location
 10.13 is open for business and at any other time when scrap metal is purchased.

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

10.17 (c) Recordings and images required by paragraph (a) shall be retained by the scrap
 10.18 metal dealer for a minimum period of 90 days and shall at all reasonable times be open to
 10.19 the inspection of any law enforcement agency.

10.20 **EFFECTIVE DATE.** This section is effective August 1, 2013.

10.21 Sec. 14. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision
 10.22 to read:

10.23 Subd. 10. **Vehicles with proof of ownership; five-day hold period.** Except as
 10.24 provided in subdivision 11, no dealer shall purchase a motor vehicle unless the seller:

10.25 (1) provides the vehicle title and lien releases, if the vehicle is subject to any liens, or
 10.26 an official bill of sale issued by a public impound lot, each listing the vehicle identification
 10.27 number;

10.28 (2) provides proof of identification matching the name listed on the vehicle title or
 10.29 bill of sale issued by a public impound lot; and

10.30 (3) signs a statement, under penalty of perjury, attesting that the motor vehicle is
 10.31 not stolen and is free of any liens or encumbrances and that the seller has the right to sell
 10.32 the motor vehicle.

10.33 (b) The dealer shall:

10.34 (1) hold the vehicle during the five-day hold period;

10.35 (2) not scrap, resell, dismantle, or in any way destroy the vehicle; and

11.1 (3) not complete vehicle purchase transaction and disburse payment until after
11.2 the five-day hold period.

11.3 **EFFECTIVE DATE.** This section is effective August 1, 2013.

11.4 Sec. 15. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision
11.5 to read:

11.6 **Subd. 11. Vehicle without proof of ownership; 15-day hold period.** (a) If the
11.7 seller does not provide the information required in subdivision 10, no dealer shall purchase
11.8 a motor vehicle unless the seller:

11.9 (1) agrees in writing to a conditional sale with a 15-day hold period prior to
11.10 completion of the transaction and disbursement of payment;

11.11 (2) provides proof of identification; and

11.12 (3) signs a statement, under penalty of perjury, attesting that the motor vehicle is
11.13 not stolen and is free of any liens or encumbrances and that the seller has the right to sell
11.14 the motor vehicle.

11.15 (b) The dealer shall:

11.16 (1) hold the vehicle during the 15-day hold period;

11.17 (2) comply with reporting requirements under subdivision 1a by the end of the
11.18 first day of the hold period;

11.19 (3) not scrap, resell, dismantle, or in any way destroy the vehicle during the 15-day
11.20 hold period;

11.21 (4) check the vehicle identification number with the registrar and local law
11.22 enforcement on the last day of the 15-day hold period to confirm that the vehicle has
11.23 not been reported as stolen; and

11.24 (5) not complete the vehicle purchase transaction and disburse payment until after
11.25 the 15-day hold period.

11.26 **EFFECTIVE DATE.** This section is effective August 1, 2013.

11.27 Sec. 16. **REPEALER.**

11.28 Minnesota Statutes 2012, section 168A.153, subdivision 2, is repealed.

11.29 **EFFECTIVE DATE.** This section is effective August 1, 2013.

APPENDIX
Repealed Minnesota Statutes: 13-2207

168A.153 REPORT OF VEHICLE RECEIPT.

Subd. 2. **Late-model or high-value vehicle.** A dealer who buys a late-model or high-value vehicle to be dismantled or destroyed shall notify the secured party, if any, and the commissioner in the manner prescribed in subdivision 3. The dealer must then properly destroy the certificate of title.