

tive expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698.

Approved May 29, 1981

---

### CHAPTER 332 — S.F.No. 1265

*An act relating to the Ramsey-Washington Metro watershed district; permitting deferral of special assessments in certain cases of hardship.*

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

Section 1. **RAMSEY-WASHINGTON METRO WATERSHED DISTRICT.**

The Ramsey-Washington Metro watershed district board of managers may defer assessments against homestead property for the Battle Creek restoration project for persons 65 years or older or handicapped persons for whom it would be a hardship to make the payments. The deferrals shall be administered in the manner provided by Minnesota Statutes, Sections 435.193 to 435.195.

Sec. 2. **LOCAL APPROVAL; EFFECTIVE DATE.**

This act is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the board of managers of the Ramsey-Washington Metro watershed district.

Approved May 29, 1981

---

### CHAPTER 333 — H.F.No. 79

*An act relating to commerce; providing for the regulation and licensing of precious metal dealers; establishing identification procedures and recording requirements; prohibiting certain transactions; providing for criminal and civil penalties; providing remedies; amending Minnesota Statutes 1980, Section 609.53, Subdivision 4, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapter 325F.*

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. [325F.731] DEFINITIONS.

Subdivision 1. TERMS. For the purposes of sections 1 to 17, the following terms have the meanings given them.

Subd. 2. PRECIOUS METAL DEALER. "Precious metal dealer" means any natural person, partnership, or corporation, either as principal or agent, engaging in the business of buying secondhand items containing precious metal, including, but not limited to, jewelry, watches, eating utensils, candlesticks, and religious and decorative objects.

Subd. 3. PRECIOUS METALS. "Precious metals" means silver, gold, and platinum.

Subd. 4. ITEM CONTAINING PRECIOUS METAL. "Item containing precious metal" means an item made in whole or in part of metal and containing more than one percent by weight of silver, gold or platinum.

Sec. 2. [325F.732] LICENSE.

Subdivision 1. REQUIREMENT. Except as provided for in subdivision 2, it is unlawful for a precious metal dealer to engage in or transact any business as such without having a valid license as provided in section 3.

Subd. 2. SCOPE. The requirements of sections 1 to 17 do not apply to the following:

(1) Transactions at occasional "garage" or "yard" sales, or estate sales or farm auctions held at the decedent's residence, except that precious metal dealers must comply with the requirements of sections 4 to 11 for these transactions.

(2) Transactions regulated by Minnesota Statutes, Chapter 80A.

(3) Transactions regulated by the Federal Commodity Futures Commission Act.

(4) Transactions involving the purchase of precious metal grindings, filings, slag, sweeps, scraps, or dust from an industrial manufacturer, dental lab, dentist, or agent thereof.

(5) Transactions involving the purchase of photographic film, such as lithographic and x-ray film, or silver residue or flake recovered in lithographic and x-ray film processing.

(6) Transactions involving coins, bullion, or ingots.

(7) Transactions in which the second hand item containing precious metal is exchanged for a new item containing precious metal and the value of

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

the new item exceeds the value of the secondhand item, except that a natural person, partnership or corporation who is a precious metal dealer by engaging in a transaction which is not exempted by this section must comply with the requirements of sections 4 to 11.

(8) Transactions between precious metal dealers if both dealers are licensed under section 3 or if the seller's business is located outside of the state and the item is shipped from outside the state to a dealer licensed under section 3.

(9) Transactions in which the buyer of the secondhand item containing precious metal is engaged primarily in the business of buying and selling antiques, and the items are resold in an unaltered condition except for repair, and the items are resold at retail, and the buyer paid less than \$2,500 for secondhand items containing precious metals purchased within any period of 12 consecutive months.

**Sec. 3. [325F.733] LICENSE; APPLICATION; TERMS AND CONDITIONS.**

Subdivision 1. APPLICATION. Any precious metal dealer desiring to engage in or transact business as such in any county of this state shall file an application for a license for that purpose with the auditor of the county in which he desires to do business. The applicant shall state his name, date of birth, resident address, and locations of the proposed principal place of business and branch offices within the county, and other locations within the county where the applicant intends to hold secondhand precious metals. If the person in charge of the business or a branch office is someone other than the applicant, his name, date of birth, and resident address shall be stated with the location or branches indicated. If the applicant is a corporation or partnership the name, date of birth and resident address of each officer and general partner shall be stated. Each application shall be kept by the auditor for a period of no less than three years and shall be available for inspection only by employees of the county auditor, the county attorney, the attorney general, or by a peace officer.

Subd. 2. FEE. Each applicant shall pay to the treasurer of the county a license fee in an amount determined by the board of county commissioners of the county to be necessary to cover the expenses of administering this licensing function.

Subd. 3. BUSINESS LOCATIONS. A precious metal dealer license shall authorize the precious metal dealer to transact business only at the location or locations designated in the license.

Subd. 4. TERM. A precious metal dealer license shall be valid for a period of one year from the date of its issuance.

**Changes or additions are indicated by underline, deletions by ~~strikeout~~.**

Subd. 5. BRANCH OFFICES. Each branch office shall be operated under the same name as the principal office.

Subd. 6. POSTING OF LICENSE. Every precious metal dealer shall prominently post his license in a conspicuous location at his principal place of business and a copy of his license in a conspicuous location at each branch office.

Subd. 7. POSTING OF PRICES; WEIGHING. Every precious metal dealer shall prominently post in a conspicuous place and in letters exceeding one inch in height the minimum prices per ounce or pennyweight that are currently being paid by the dealer for precious metals and a warning notice that unless otherwise informed, the prices offered are based on the meltdown value of the precious metal, rather than the value of the item in its existing form. Precious metal items shall be weighed in plain sight of the prospective seller on scales approved by the division of weights and measures of the department of public service in accordance with Minnesota Statutes, Section 239.08.

Subd. 8. PUBLIC RECORD OF LICENSES. The county auditor shall keep a record of the licenses in a book provided for that purpose. The book shall contain the same information as required on the application for the license; provided, that the applicant's resident address and date of birth shall not be recorded. The book shall be open for public inspection.

#### **Sec. 4. [325F.734] IDENTIFICATION OF SELLERS.**

Every precious metal dealer shall require a seller of secondhand items containing precious metals to present to him at the time of the transaction an identification card of the seller containing a picture of the seller and his address.

#### **Sec. 5. [325F.735] RECORDS REQUIRED.**

Every precious metal dealer shall keep a book at his business location in which shall be clearly written in ink, in the English language, at the time of each transaction, or as close thereto as possible, the following information:

(1) An accurate description of every secondhand item containing precious metals bought, including the type of item, number of items, brand name of item, if any, engraving or other identifying features of the item, if any, and a description of any gems attached;

(2) The amount of money paid;

(3) The date of the transaction; and

(4) From the identification card containing a picture of the seller, the type of card presented and the serial number of the card, if any, and the name and address of the person selling the item. The book, as well as the item in the possession of the dealer, shall at all reasonable times be open to inspection by

**Changes or additions are indicated by underline, deletions by strikeout.**

any police officer of the city wherein the business is located or the sheriff or any deputy sheriff of the county wherein the business is located.

**Sec. 6. [325F.736] REQUIRED HOLDING PERIOD.**

Every precious metal dealer shall keep in his possession at his business location or other location within the licensing county from the time of the transaction or as close thereto as possible, for a period of no less than 14 days, every secondhand item containing precious metal purchased by the dealer unless the item is purchased or consigned from another dealer licensed under section 3. The item shall not be altered at the time of sale and shall remain unaltered during the required holding period.

**Sec. 7. [325F.737] ADDITIONAL HOLDING PERIOD.**

The sheriff or his designee may by written notification require a precious metal dealer licensed in his county not to sell or alter a secondhand item containing precious metal if he has probable cause that the item is stolen. The item shall not be sold, altered, or removed from the licensed premises until authorized to be released in writing by the sheriff or his designee.

The chief of police or his designee may also exercise this same authority for licensed businesses, within his jurisdiction.

**Sec. 8. [325F.738] TRADING.**

It is unlawful to trade or barter in a manner intended to avoid identification and recording of transactions under sections 4 and 5 and payment under section 10.

**Sec. 9. [325F.739] CERTAIN PURCHASES PROHIBITED.**

It is unlawful for a precious metal dealer to purchase a secondhand item containing precious metals from a person under 18 years of age unless the person is accompanied by his parent or guardian who is identified and whose identity is recorded in accordance with sections 4 and 5.

**Sec. 10. [325F.741] PAYMENT BY CHECK.**

Payment by a precious metal dealer for the purchase of a secondhand item containing precious metal shall be made only by a check, draft, or other negotiable or non-negotiable instrument or order of withdrawal which is drawn against funds held by a financial institution.

**Sec. 11. [325F.742] GOVERNMENTAL SUBDIVISIONS MAY REGULATE.**

The provisions of sections 1 to 17 shall not be construed as prohibiting, or in any way limiting, or interfering with the right of any governmental subdivision of the state to regulate or license precious metal dealers within its jurisdiction in a manner more restrictive than sections 1 to 17; provided, that

transactions described in section 2, subdivision 2, shall not be regulated in a manner inconsistent with sections 1 to 17.

**Sec. 12. [325F.743] CRIMINAL PENALTY.**

Any person who violates any provision of sections 1 to 17 is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both.

**Sec. 13. [325F.744] CIVIL PENALTY.**

The attorney general or any county attorney may institute a civil action in the name of the state in the district court to revoke, deny or suspend for a period of time the license on the ground that the licensee has violated a provision of sections 1 to 17. For this purpose, the attorney general or county attorney shall be invested with the additional powers contained in Minnesota Statutes, Section 8.31. It is no defense to the action that the state has adequate remedies at law.

Sec. 14. Minnesota Statutes 1980, Section 609.53, is amended by adding a subdivision to read:

Subd. 1a. Any precious metal dealer as defined in section 1, subdivision 2, or any person employed by a precious metal dealer as defined in section 1, subdivision 2, who receives, possesses, transfers, buys or conceals any stolen property or property obtained by robbery, knowing the same to be stolen or obtained by robbery, may be sentenced as follows:

(1) If the value of the property received, bought or concealed is \$150 or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both;

(2) If the value of the property received, bought or concealed is less than \$150, to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both.

Sec. 15. Minnesota Statutes 1980, Section 609.53, is amended by adding a subdivision to read:

Subd. 2a. Any precious metal dealer as defined in section 1, subdivision 2, or any person employed by a precious metal dealer as defined in section 1, subdivision 2, who receives, possesses, transfers, buys or conceals any stolen property or property obtained by robbery, having reason to believe the same to be stolen or obtained by robbery, may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both.

Sec. 16. Minnesota Statutes 1980, Section 609.53, is amended by adding a subdivision to read:

**Changes or additions are indicated by underline, deletions by ~~strikeout~~.**

Subd. 3a. Any precious metal dealer as defined in section 1, subdivision 2, or any person employed by a precious metal dealer as defined in section 1, subdivision 2, convicted of a second or subsequent violation under section 15 within a period of one year may be sentenced as provided in section 14, clause (1).

Sec. 17. Minnesota Statutes 1980, Section 609.53, Subdivision 4, is amended to read:

Subd. 4. Any person who has been injured by a violation of subdivision 1 or sections 14 to 16 may bring an action for three times the amount of actual damages, if ~~any~~, sustained by the plaintiff or \$1,500, whichever is greater, the costs of suit and reasonable attorney's fees.

Sec. 18. **EFFECTIVE DATE.**

Sections 1 to 17 are effective 60 days after final enactment.

Approved May 29, 1981

---

#### CHAPTER 334 — H.F.No. 493

*An act relating to energy; authorizing the Minnesota energy agency to administer a program of loans to municipalities for establishing and improving district heating systems; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota constitution; appropriating money; amending Minnesota Statutes 1980, Sections 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; 429.021, Subdivision 1; and 474.02, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapters 16, 116H, 216B, 465, and 475.*

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

Section 1. **[116H.31] DISTRICT HEATING LOANS.**

Subdivision 1. POLICIES. Developing and improving efficient and economical district heating systems is a public purpose for state financing and a proper function of state government. Climate and geography make a reliable, economic supply of energy essential for industrial, commercial, and residential heating. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. District heating systems employing cogeneration techniques and innovative technology offer an important means of increasing the efficiency of Minnesota's energy systems and reducing the state's reliance on imported energy supplies. The combination of the large initial capital cost and investors' lack of familiarity with district heating has made the private market reluctant to provide the necessary capital for district heating projects. As a result, public leadership, cooperation, and aid are needed to demonstrate the

Changes or additions are indicated by underline, deletions by ~~strikeout~~.