

## 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

03/13/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Transportation Policy

03/18/2013 Adoption of Report: Pass and Read Second Time

05/03/2013 By motion, re-referred to the Committee on Commerce and Consumer Protection 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

1.6 1a, 19a, 23; 168A.153, subdivision 3; 325E.21, subdivisions 1, 1a, 3, 6, 8, 9,

1.7 by adding subdivisions.

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

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

1.10 Subd. 1a. **Dealer license categories.** (a) No person shall engage in the business of

1.11 selling new motor vehicles or shall offer to sell, solicit, deliver, or advertise the sale of

1.12 new motor vehicles without first acquiring a new motor vehicle dealer license.

1.13 (b) No person shall engage in the business of selling used motor vehicles or shall

1.14 offer to sell, solicit, deliver, or advertise the sale of used motor vehicles without first

1.15 acquiring a used motor vehicle dealer license.

1.16 (c) No person shall engage in the business of buying or otherwise acquiring vehicles

1.17 ~~other than hulks~~; or offering to buy or otherwise acquire, or soliciting or advertising the

1.18 buying or acquiring of, vehicles ~~other than hulks~~ for processing and selling the metal for

1.19 remelting without first acquiring a scrap metal processor license.

1.20 ~~For purposes of this paragraph, a "hulk" is a motor vehicle that is incapable, under~~

1.21 ~~its own power, of moving and is incapable of transporting persons or property and has had~~

1.22 ~~valuable used parts removed. Its sole value is its metallic content.~~

1.23 (d) No person shall be primarily engaged in the business of buying or otherwise

1.24 acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and

1.25 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 1a, clause (d) or (e), 2, 3, 3a, 4, 5a, 6, 7, or 7a, or section 325E.21. The court, upon  
2.22 proper proof that the defendant has engaged in a practice prohibited by this section, may  
2.23 enjoin the future commission of that practice and award civil penalties for violations of  
2.24 subdivision 1a, clause (d) or (e), 2, 3, 3a, 4, 5a, 6, 7, or 7a, or section 325E.21. It is not a  
2.25 defense to an action that the state may have adequate remedies at law. Service of process  
2.26 must be as in any other civil suit, except that where a defendant in the action is a natural  
2.27 person or firm residing outside the state, or is a foreign corporation, service of process  
2.28 may also be made by personal service outside the state; in the manner provided by section  
2.29 5.25; or as the court may direct. Process is valid if it satisfies the requirements of due  
2.30 process of law, whether or not the defendant is doing business in Minnesota regularly or  
2.31 habitually. Nothing in this subdivision limits the rights or remedies otherwise available to  
2.32 persons under common law or other statutes of this state.

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

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

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

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

3.8 Sec. 4. Minnesota Statutes 2012, section 168A.153, subdivision 3, is amended to read:

3.9 Subd. 3. **Notification on vehicle to be dismantled or destroyed; service fee.**

3.10 ~~Within the time frames prescribed in subdivisions 1 and 2 of acquiring a vehicle titled and~~  
3.11 ~~registered in Minnesota, a dealer shall notify the registrar that the dealership purchased the~~  
3.12 ~~vehicle to be dismantled or destroyed.~~ The dealer must maintain the certificate of title on  
3.13 the vehicle for three years before destroying the title as prescribed by the commissioner.

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

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

3.18 Sec. 5. Minnesota Statutes 2012, section 325E.21, subdivision 1, is amended to read:

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

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

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

3.25 (d) "Scrap metal" means:

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

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

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

3.32 (1) any of the following licensees under section 168.27: scrap metal processor, used  
3.33 vehicle parts dealer, or vehicle salvage pool;

4.1 (2) a used motor vehicle dealer licensee under section 168.27 who engages in the  
 4.2 business of buying or otherwise acquiring vehicles for dismantling and selling used parts  
 4.3 and remaining scrap materials; and

4.4 (3) a person engaged in the business of buying or selling scrap metal, or both, but does.  
 4.5 The terms do not include a person engaged exclusively in the business of buying or selling  
 4.6 new or motor vehicles, used motor vehicles or motor vehicle parts for resale and in  
 4.7 whole other than as specified in clause (2), paper or wood products, rags or furniture, or  
 4.8 secondhand machinery.

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

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

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

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

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

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

4.22 Sec. 6. Minnesota Statutes 2012, section 325E.21, subdivision 1a, is amended to read:

4.23 Subd. 1a. **Purchase or acquisition record required.** (a) Every scrap metal dealer,  
 4.24 including an agent, employee, or representative of the dealer, shall keep a written record at  
 4.25 the time of each purchase or acquisition of scrap metal. The record must include:

4.26 (1) an accurate account or description, including the weight if customarily purchased  
 4.27 by weight, of the scrap metal purchased or acquired;

4.28 (2) the date, time, and place of the receipt of the scrap metal purchased or acquired;

4.29 (3) the name and address of the person selling or delivering the scrap metal;

4.30 (4) the number of the check or electronic transfer used to purchase the scrap metal;

4.31 (5) if the scrap metal purchased or acquired is a motor vehicle under subdivision 11,  
 4.32 the dates of the hold period and the payment method under subdivision 3, paragraph (b);

4.33 ~~(5)~~ (6) the number of the seller's or deliverer's driver's license, Minnesota  
 4.34 identification card number, or other identification document number of an identification

5.1 document issued for identification purposes by any state, federal, or foreign government if  
5.2 the document includes the person's photograph, full name, birth date, and signature; ~~and~~

5.3 ~~(6) (7)~~ the license plate number and description of the vehicle used by the person  
5.4 when delivering the scrap metal, and any identifying marks on the vehicle, such as a  
5.5 business name, decals, or markings, if applicable; and

5.6 (8) a statement signed by the seller, under penalty of perjury as provided in section  
5.7 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances  
5.8 and the seller has the right to sell it.

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

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

5.16 (d) Except as otherwise provided in this section, a scrap metal dealer or the dealer's  
5.17 agent, employee, or representative may not disclose personal information concerning a  
5.18 customer without the customer's consent unless the disclosure is made in response to a  
5.19 request from a law enforcement agency. A scrap metal dealer must implement reasonable  
5.20 safeguards to protect the security of the personal information and prevent unauthorized  
5.21 access to or disclosure of the information. For purposes of this paragraph, "personal  
5.22 information" is any individually identifiable information gathered in connection with a  
5.23 record under paragraph (a).

5.24 (e) This subdivision expires January 1, 2015.

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

5.26 Sec. 7. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision  
5.27 to read:

5.28 **Subd. 1b. Purchase or acquisition record required.** (a) Every scrap metal dealer,  
5.29 including an agent, employee, or representative of the dealer, shall create a permanent  
5.30 record written in English, using ink or an electronic record program at the time of each  
5.31 purchase or acquisition of scrap metal. The record must include:

5.32 (1) a complete and accurate account or description, including the weight, if  
5.33 customarily purchased by weight, of the scrap metal purchased or acquired;

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

6.4 (3) the date, time, and place of the receipt of the scrap metal purchased or acquired  
6.5 and a unique transaction identifier;

6.6 (4) the deliverer's full name, residence, address, primary telephone number, and an  
6.7 accurate description, including sex, height, weight, eye color, hair color, and, if known,  
6.8 race;

6.9 (5) the amount paid and the number of the check or electronic transfer used to  
6.10 purchase the scrap metal;

6.11 (6) if the scrap metal purchased or acquired is a motor vehicle under subdivision 11,  
6.12 the dates of the hold period and the payment method under subdivision 3, paragraph (b);

6.13 (7) the identification number and state of issue of the seller's or deliverer's proof of  
6.14 identification;

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

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

6.23 (10) a statement signed by the seller, under penalty of perjury as provided in section  
6.24 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances  
6.25 and the seller has the right to sell it;

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

6.27 (12) a duplicate copy of the receipt, which must include at least the following  
6.28 information: the name and address of the dealer, the date and time the scrap metal was  
6.29 received by the dealer, an accurate description of the scrap metal, the signature of the  
6.30 seller, and the amount paid for the scrap metal.

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

6.33 (c) The records specified under paragraph (a), clauses (1), (2), (3), and (5), are  
6.34 required for property purchased from merchants, manufacturers, salvage pools, insurance  
6.35 companies, rental car companies, financial institutions, charities, dealers licensed under

7.1 section 168.27, or wholesale dealers having an established place of business, or of any  
7.2 goods purchased at open sale from any bankrupt stock.

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

7.5 (e) Law enforcement agencies in the jurisdiction where a dealer is located may  
7.6 conduct regular and routine inspections to ensure compliance, refer violations to the city  
7.7 or county attorney for criminal prosecution, and notify the registrar of motor vehicles.  
7.8 The registrar shall inspect a dealer who holds a license under section 168.27 every 18  
7.9 months to ensure compliance.

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

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

7.21 **EFFECTIVE DATE.** This section is effective January 1, 2015.

7.22 Sec. 8. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision  
7.23 to read:

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

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

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

8.4 **EFFECTIVE DATE.** This section is effective January 1, 2015.

8.5 Sec. 9. Minnesota Statutes 2012, section 325E.21, subdivision 3, is amended to read:

8.6 Subd. 3. **Payment by check or electronic transfer required.** (a) Except as  
8.7 provided in paragraph (b), a scrap metal dealer or the dealer's agent, employee, or  
8.8 representative shall pay for all scrap metal purchases only by check or electronic transfer.

8.9 (b) For purchase of a motor vehicle under subdivision 11, payment shall be made  
8.10 by mailed check or by electronic transfer of funds to a bank account. Checks shall be  
8.11 payable only to the individual providing proof of identification at the time of purchase.  
8.12 The dealer shall retain a record of the mailing address or unique transaction identifier for  
8.13 a period of three years and such information shall at all reasonable times be open for  
8.14 inspection by law enforcement.

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

8.16 Sec. 10. Minnesota Statutes 2012, section 325E.21, subdivision 6, is amended to read:

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

8.20 (b) A scrap metal dealer, or an agent, employee, or representative of a scrap metal  
8.21 dealer, who is convicted of violating this section a second time within a period of five  
8.22 years, is guilty of a gross misdemeanor.

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

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

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

8.31 Sec. 11. Minnesota Statutes 2012, section 325E.21, subdivision 8, is amended to read:

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

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

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

9.15 (2) place the item on hold or extend the hold ~~as provided in this section and leave it~~  
 9.16 ~~in the shop~~ under paragraph (a) and leave it in the licensed premises; or

9.17 (3) direct its release to a registered owner or owner's agent.

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

9.22 (d) (c) A dealer may request seized property be returned in accordance with section  
 9.23 626.04.

9.24 (e) (d) When an ~~order to hold or seize~~ investigative hold or notification to confiscate  
 9.25 is no longer necessary, the law enforcement official or designee shall so notify the ~~dealer~~  
 9.26 licensee.

9.27 (e) A scrap metal dealer may process or otherwise dispose of the motor vehicle if:

9.28 (1) a notification to confiscate is not issued during the investigative hold; or

9.29 (2) a law enforcement official does not physically remove the motor vehicle from the  
 9.30 premises within 15 calendar days from issuance of a notification to confiscate.

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

9.32 Sec. 12. Minnesota Statutes 2012, section 325E.21, subdivision 9, is amended to read:

9.33 Subd. 9. **Video security cameras required.** (a) Each scrap metal dealer shall install  
 9.34 and maintain at each location video surveillance cameras, still digital cameras, or similar

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

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

10.13 (c) Recordings and images required by paragraph (a) shall be retained by the scrap  
10.14 metal dealer for a minimum period of 30 days and shall at all reasonable times be open to  
10.15 the inspection of any law enforcement agency.

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

10.17 Sec. 13. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision  
10.18 to read:

10.19 Subd. 10. **Vehicles with proof of ownership.** Except as provided in subdivision 11,  
10.20 no dealer shall purchase a motor vehicle unless the seller:

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

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

10.26 (3) signs a statement, under penalty of perjury as provided in section 609.48,  
10.27 attesting that the motor vehicle is not stolen and is free of any liens or encumbrances and  
10.28 that the seller has the right to sell the motor vehicle.

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

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

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

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

11.6 (2) provides proof of identification; and

11.7 (3) signs a statement, under penalty of perjury as provided in section 609.48,  
11.8 attesting that the motor vehicle is not stolen and is free of any liens or encumbrances and  
11.9 that the seller has the right to sell the motor vehicle.

11.10 (b) The dealer shall:

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

11.12 (2) comply, on or after January 1, 2015, with reporting requirements under  
11.13 subdivision 1c by the end of the first day of the hold period;

11.14 (3) not scrap, resell, dismantle, or in any way destroy the vehicle during the five-day  
11.15 hold period;

11.16 (4) check the vehicle identification number with the registrar and local law  
11.17 enforcement on the last day of the five-day hold period to confirm that the vehicle has not  
11.18 been reported as stolen;

11.19 (5) not complete the vehicle purchase transaction and disburse payment until after  
11.20 the five-day hold period; and

11.21 (6) make any payment to the seller in accordance with subdivision 3, paragraph (b).

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

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

11.25 Subd. 12. **Purchase from other dealers or merchants.** (a) Subdivisions 10 and  
11.26 11 do not apply when a scrap vehicle is purchased from:

11.27 (1) an insurance company, a rental car company, a financial institution, or a charity; or

11.28 (2) a licensee under section 168.27.

11.29 (b) A scrap vehicle dealer acquiring a scrap vehicle under this subdivision shall  
11.30 obtain the information required under subdivision 1b, paragraph (c).

11.31 Sec. 16. Minnesota Statutes 2012, section 325E.21, is amended by adding a subdivision  
11.32 to read:

11.33 Subd. 13. **Model affidavit; right to sell vehicle.** By July 15, 2013, the Minnesota  
11.34 Chiefs of Police Association, in consultation with the Minnesota Sheriff's Association,

12.1 Minnesota Police and Peace Officers Association, and Minnesota County Attorney's  
12.2 Association, shall develop a model affidavit for use by scrap metal dealers under  
12.3 subdivision 1a, paragraph (a), clause (8); subdivision 10, clause (3); and subdivision 11,  
12.4 paragraph (a), clause (3).

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

12.6 Sec. 17. **AUTOMATED PROPERTY SYSTEM STANDARDS.**

12.7 (a) By July 1, 2014, the Minneapolis Police Department, in consultation with the  
12.8 scrap metal industry, law enforcement, prosecutors, and legislators, shall develop standards  
12.9 for implementation and use of the automated property system as provided under section  
12.10 325E.21, subdivision 1c. By July 15, 2014, the department shall provide copies of the  
12.11 standards to all scrap metal dealers required to report using the automated property system.

12.12 (b) By January 15, 2014, the department shall submit proposed standards to  
12.13 the chairs and ranking minority members of the senate and house of representatives  
12.14 committees and divisions having jurisdiction over criminal justice policy and funding.

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