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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4461

02/29/2024 Authored by Hollins; Hussein; Lee, K.; Xiong; Pérez-Vega and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; requiring a license to sell copper metal; amending Minnesota
1.3 Statutes 2022, section 325E.21, by adding a subdivision; Minnesota Statutes 2023
1.4 Supplement, section 325E.21, subdivision 1b.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 325E.21, subdivision 1b, is
1.7 amended to read:

1.8 Subd. 1b. Purchase or acquisition record required. (a) Every scrap metal dealer,
1.9 including an agent, employee, or representative of the dealer, shall create a permanent record
1.10 written in English, using an electronic record program at the time of each purchase or
1.11 acquisition of scrap metal or a motor vehicle. The record must include:

1.12 (1) a complete and accurate account or description, including the weight if customarily
1.13 purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

1.14 (2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased
1.15 or acquired and a unique transaction identifier;

1.16 (3) a photocopy or electronic scan of the seller's proof of identification including the
1.17 identification number;

1.18 (4) the amount paid and the number of the check or electronic transfer used to purchase
1.19 or acquire the scrap metal or motor vehicle;

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

2.1 (6) a statement signed by the seller, under penalty of perjury as provided in section
2.2 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
2.3 or encumbrances and the seller has the right to sell it;

2.4 (7) a copy of the receipt, which must include at least the following information: the name
2.5 and address of the dealer, the date and time the scrap metal or motor vehicle was received
2.6 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount
2.7 paid for the scrap metal or motor vehicle;

2.8 (8) in order to purchase or acquire a detached catalytic converter, the vehicle identification
2.9 number of the car it was removed from or, as an alternative, any numbers, bar codes, stickers,
2.10 or other unique markings, whether resulting from the pilot project created under subdivision
2.11 2b or some other source. The alternative number must be under a numbering system that
2.12 can be immediately linked to the vehicle identification number by law enforcement; ~~and~~

2.13 (9) the identity or identifier of the employee completing the transaction; and

2.14 (10) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
2.15 seller's current license to sell scrap metal copper issued by the commissioner under
2.16 subdivision 2c.

2.17 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall
2.18 at all reasonable times be open to the inspection of any properly identified law enforcement
2.19 officer.

2.20 (c) Except for the purchase or acquisition of detached catalytic converters or motor
2.21 vehicles, no record is required for property purchased or acquired from merchants,
2.22 manufacturers, salvage pools, insurance companies, rental car companies, financial
2.23 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
2.24 an established place of business, or of any goods purchased or acquired at open sale from
2.25 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
2.26 and kept by the person, which must be shown upon demand to any properly identified law
2.27 enforcement officer.

2.28 (d) The dealer must provide a copy of the receipt required under paragraph (a), clause
2.29 (7), to the seller in every transaction.

2.30 (e) The commissioner of public safety and law enforcement agencies in the jurisdiction
2.31 where a dealer is located may conduct inspections and audits as necessary to ensure
2.32 compliance, refer violations to the city or county attorney for criminal prosecution, and
2.33 notify the registrar of motor vehicles.

3.1 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,
 3.2 employee, or representative may not disclose personal information concerning a customer
 3.3 without the customer's consent unless the disclosure is required by law or made in response
 3.4 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable
 3.5 safeguards to protect the security of the personal information and prevent unauthorized
 3.6 access to or disclosure of the information. For purposes of this paragraph, "personal
 3.7 information" is any individually identifiable information gathered in connection with a
 3.8 record under paragraph (a).

3.9 Sec. 2. Minnesota Statutes 2022, section 325E.21, is amended by adding a subdivision to
 3.10 read:

3.11 Subd. 2c. License required for scrap metal copper purchase or sale. (a) Beginning
 3.12 January 1, 2025, a person is prohibited from engaging in the purchase or sale of scrap metal
 3.13 copper unless the person has a valid license issued by the commissioner under this
 3.14 subdivision.

3.15 (b) A purchaser or seller of scrap metal copper may apply to the commissioner on a form
 3.16 prescribed by the commissioner. The application form must include, at a minimum:

3.17 (1) the name, permanent address, telephone number, and date of birth of the applicant;
 3.18 and

3.19 (2) for applicants who intend to sell scrap metal copper, an acknowledgment that the
 3.20 applicant obtained the copper by lawful means in the regular course of the applicant's
 3.21 business, trade, or authorized construction work.

3.22 (c) Each application must be accompanied by a nonrefundable fee of \$.....

3.23 (d) Within 30 days of the date an application is received, the commissioner may require
 3.24 additional information or submissions from an applicant and may obtain any document or
 3.25 information that is reasonably necessary to verify the information contained in the application.
 3.26 Within 90 days after the date a completed application is received, the commissioner must
 3.27 review the application and issue a license if the applicant is deemed qualified under this
 3.28 section. The commissioner may issue a license subject to restrictions or limitations. If the
 3.29 commissioner determines the applicant is not qualified, the commissioner must notify the
 3.30 applicant and must specify the reason for the denial.

3.31 (e) A person licensed to perform electrical work pursuant to section 326B.33 is deemed
 3.32 to hold a license to purchase or sell scrap metal copper.

4.1 (f) A license issued under this subdivision is valid for one year. To renew a license, an
4.2 applicant must submit a completed renewal application on a form prescribed by the
4.3 commissioner and a renewal fee of \$..... The commissioner may request that a renewal
4.4 applicant submit additional information to clarify any new information presented in the
4.5 renewal application. A renewal application submitted after the renewal deadline must be
4.6 accompanied by a nonrefundable late fee of \$500.

4.7 (g) The commissioner may deny a license renewal under this subdivision if:

4.8 (1) the commissioner determines that the applicant is in violation of or noncompliant
4.9 with federal or state law; or

4.10 (2) the applicant fails to timely submit a renewal application and the information required
4.11 under this subdivision.

4.12 (h) In lieu of denying a renewal application under paragraph (g), the commissioner may
4.13 permit the applicant to submit to the commissioner a corrective action plan to cure or correct
4.14 deficiencies.

4.15 (i) The commissioner may suspend, revoke, or place on probation a license issued under
4.16 this subdivision if:

4.17 (1) the applicant engages in fraudulent activity that violates state or federal law;

4.18 (2) the commissioner receives consumer complaints that justify an action under this
4.19 subdivision to protect the safety and interests of consumers;

4.20 (3) the applicant fails to pay an application license or renewal fee; or

4.21 (4) the applicant fails to comply with a requirement set forth in this subdivision.

4.22 (j) The commissioner must enforce this subdivision under chapter 45.