

1.1 moves to amend H.F. No. 2603 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 1b, is
1.4 amended to read:

1.5 Subd. 1b. **Purchase or acquisition record required.** (a) ~~Any person who purchases or~~
1.6 ~~receives a catalytic converter must comply with this section.~~

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

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

1.12 (2) the date, time, and place of the receipt of the scrap metal purchased or acquired and
1.13 a unique transaction identifier;

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

1.16 (4) the amount paid and the number of the check or electronic transfer used to purchase
1.17 the scrap metal;

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

1.21 (6) a statement signed by the seller, under penalty of perjury as provided in section
1.22 609.48, attesting that the scrap metal is not stolen and is free of any liens or encumbrances
1.23 and the seller has the right to sell it;

2.1 (7) a copy of the receipt, which must include at least the following information: the name
2.2 and address of the dealer, the date and time the scrap metal was received by the dealer, an
2.3 accurate description of the scrap metal, and the amount paid for the scrap metal;

2.4 (8) in order to purchase a detached catalytic converter, the vehicle identification number
2.5 of the car it was removed from or as an alternative any numbers, bar codes, stickers, or other
2.6 unique markings that result whether resulting from the pilot project created under subdivision
2.7 2b or some other source. The alternative number must be under a numbering system that
2.8 can be immediately linked to the vehicle identification number by law enforcement; and

2.9 (9) ~~the name of the person who removed the catalytic converter~~ identity, or identifier,
2.10 of the employee completing the transaction.

2.11 ~~(e)~~ (b) The record, as well as the scrap metal purchased or received, shall at all reasonable
2.12 times be open to the inspection of any properly identified law enforcement officer.

2.13 ~~(d)~~ (c) Except for the purchase of detached catalytic converters, no record is required
2.14 for property purchased from merchants, manufacturers, salvage pools, insurance companies,
2.15 rental car companies, financial institutions, charities, dealers licensed under section 168.27,
2.16 or wholesale dealers, having an established place of business, or of any goods purchased at
2.17 open sale from any bankrupt stock, but a receipt as required under paragraph (b), clause
2.18 (7), shall be obtained and kept by the person, which must be shown upon demand to any
2.19 properly identified law enforcement officer.

2.20 ~~(e)~~ (d) The dealer must provide a copy of the receipt required under paragraph (b), clause
2.21 (7), to the seller in every transaction.

2.22 ~~(f)~~ (e) Law enforcement agencies in the jurisdiction where a dealer is located may conduct
2.23 regular and routine inspections to ensure compliance, refer violations to the city or county
2.24 attorney for criminal prosecution, and notify the registrar of motor vehicles.

2.25 ~~(g)~~ (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's
2.26 agent, employee, or representative may not disclose personal information concerning a
2.27 customer without the customer's consent unless the disclosure is required by law or made
2.28 in response to a request from a law enforcement agency. A scrap metal dealer must implement
2.29 reasonable safeguards to protect the security of the personal information and prevent
2.30 unauthorized access to or disclosure of the information. For purposes of this paragraph,
2.31 "personal information" is any individually identifiable information gathered in connection
2.32 with a record under paragraph (a).

3.1 Sec. 2. Minnesota Statutes 2020, section 325E.21, subdivision 2, is amended to read:

3.2 Subd. 2. **Retention required.** Records required to be maintained by ~~subdivision~~
3.3 subdivisions 1a or, 1b, 11, 12, and 13, shall be retained by the scrap metal dealer for a period
3.4 of three years.

3.5 Sec. 3. Minnesota Statutes 2021 Supplement, section 325E.21, subdivision 2b, is amended
3.6 to read:

3.7 Subd. 2b. **Catalytic converter theft prevention pilot project.** (a) The catalytic converter
3.8 theft prevention pilot project is created to deter the theft of catalytic converters by marking
3.9 them with vehicle identification numbers or other unique identifiers.

3.10 (b) The commissioner shall establish a procedure to mark the catalytic converters of
3.11 vehicles most likely to be targeted for theft with unique identification numbers using labels,
3.12 engraving, theft deterrence paint, or other methods that permanently mark the catalytic
3.13 converter without damaging its function. The commissioner shall establish a procedure to
3.14 install antitheft detection devices to deter theft of catalytic converters.

3.15 (c) The commissioner shall work with law enforcement agencies, insurance companies,
3.16 and scrap metal dealers to identify vehicles that are most frequently targeted for catalytic
3.17 converter theft and to establish the most effective methods for marking, or installing an
3.18 antitheft detection device for, catalytic converters.

3.19 (d) Materials purchased under this program may be distributed to dealers, as defined in
3.20 section 168.002, subdivision 6, automobile repair shops and service centers, law enforcement
3.21 agencies, and community organizations to arrange for the marking of the catalytic converters
3.22 of vehicles most likely to be targeted for theft at no cost to the vehicle owners.

3.23 (e) The commissioner may prioritize distribution of materials to areas experiencing the
3.24 highest rates of catalytic converter theft.

3.25 (f) The commissioner must make educational information resulting from the pilot program
3.26 available to law enforcement agencies and scrap metal dealers and is encouraged to publicize
3.27 the program to the general public.

3.28 (g) The commissioner shall include a report on the pilot project in the report required
3.29 under section 65B.84, subdivision 2. The report must describe the progress, results, and any
3.30 findings of the pilot project including the total number of catalytic converters marked under
3.31 the program, and, to the extent known, whether any catalytic converters marked under the
3.32 pilot project were stolen and the outcome of any criminal investigation into the thefts.

4.1 Sec. 4. Minnesota Statutes 2020, section 325E.21, subdivision 5, is amended to read:

4.2 Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials
4.3 provided by the superintendent of the Bureau of Criminal Apprehension under section
4.4 299C.25 and ensure that all employees do so as well. A scrap metal dealer engaged in the
4.5 purchase of used catalytic converters shall ensure employees handling catalytic converter
4.6 transactions are specifically trained and familiar with the additional requirements for catalytic
4.7 converters.

4.8 Sec. 5. Minnesota Statutes 2020, section 325E.21, subdivision 6, is amended to read:

4.9 Subd. 6. **Criminal penalty.** (a) A scrap metal dealer, or the agent, employee, or
4.10 representative of the dealer, who intentionally violates a provision of this section, except
4.11 for subdivisions 11 to 13, is guilty of a misdemeanor.

4.12 (b) A person who violates subdivisions 11 to 13 is guilty of a:

4.13 (1) misdemeanor for possession or purchase of one catalytic converter;

4.14 (2) gross misdemeanor for possession or purchase of two catalytic converters; and

4.15 (3) felony for possession or purchase of three or more catalytic converters.

4.16 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
4.17 committed on or after that date.

4.18 Sec. 6. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
4.19 read:

4.20 Subd. 11. **Prohibition on possessing catalytic converters; exception.** (a) It is unlawful
4.21 for a person to possess a used catalytic converter that is not attached to a motor vehicle
4.22 except when:

4.23 (1) the converter is marked with the date the converter was removed from the vehicle
4.24 and the identification number of the vehicle from which the converter was removed or an
4.25 alternative number to the vehicle identification number; or

4.26 (2) the converter has been EPA certified for reuse as a replacement part.

4.27 (b) If an alternative number to the vehicle identification number is used, it must be under
4.28 a numbering system that can be immediately linked to the vehicle identification number by
4.29 law enforcement. The marking of the alternative number may be made in any permanent
4.30 manner, including but not limited to an engraving or use of permanent ink. The marking
4.31 must clearly and legibly indicate the date removed and the vehicle identification number

5.1 or the alternative number and the method by which law enforcement can link the converter
5.2 to the vehicle identification number.

5.3 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
5.4 committed on or after that date.

5.5 Sec. 7. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
5.6 read:

5.7 Subd. 12. **Prohibition.** It is unlawful for a person who is not a registered scrap metal
5.8 dealer to purchase a used catalytic converter that is not EPA certified for reuse as a
5.9 replacement part except when the catalytic converter is attached to a motor vehicle. A used
5.10 catalytic converter that is EPA certified for reuse as a replacement part may be sold to a
5.11 person or business for reuse as a replacement part for a motor vehicle when the requirements
5.12 of subdivision 11 are met.

5.13 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
5.14 committed on or after that date.

5.15 Sec. 8. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
5.16 read:

5.17 Subd. 13. **Purchase of catalytic converters.** A scrap metal dealer is prohibited from
5.18 processing, selling, or removing a catalytic converter from the dealer's premises for at least
5.19 seven days after the catalytic converter acquisition by the scrap metal dealer.

5.20 **EFFECTIVE DATE.** This section is effective August 1, 2022, and applies to crimes
5.21 committed on or after that date.

5.22 Sec. 9. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to
5.23 read:

5.24 Subd. 14. **New and used motor vehicles.** Dealers, as defined in section 168.002,
5.25 subdivision 6, and dealers in used motor vehicles must mark the catalytic converters of all
5.26 motor vehicles held for sale with unique identification numbers using labels, engraving,
5.27 theft deterrence paint, or other methods that permanently mark the catalytic converter without
5.28 damaging its function. The commissioner shall advise dealers and dealers in used motor
5.29 vehicles of the best method to accomplish permanently marking the catalytic converter.

6.1 Sec. 10. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 15. **Audits.** The commissioner may conduct periodic audits on scrap metal dealers
6.4 to ensure compliance with the catalytic converter theft prevention requirements of this
6.5 section.

6.6 Sec. 11. **APPROPRIATION.**

6.7 \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of
6.8 commerce to establish a procedure and purchase materials for the installation of antitheft
6.9 devices for catalytic converters. This is a onetime appropriation.

6.10 Sec. 12. **APPROPRIATION.**

6.11 \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner of
6.12 commerce to perform audits on scrap metal dealers to ensure compliance with the catalytic
6.13 converter theft prevention requirements of this section. This is an ongoing appropriation."

6.14 Amend the title accordingly