

House Research Act Summary

CHAPTER: 241

SESSION: 2014 Regular Session

TOPIC: Reducing cell phone theft

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Overview

Chapter 241 requires new smart phones sold in Minnesota to be equipped with antitheft functionality and regulates the sale of used cell phones.

Section

Article 1: Smart phone antitheft protection

1 [325F.698] Smart phone antitheft protection.

Subd. 1. Definitions. Defines smart phone.

Subd. 2. Antitheft functionality required. Requires a smart phone manufactured after July 1, 2015, that is sold or purchased in Minnesota to be equipped with antitheft functionality or capable of downloading that functionality, at no cost to the purchaser.

2 Report on smart phone antitheft functionality. Requires smart phone manufacturers and operating systems and service providers to report to the legislature by January 15, 2015, describing the antitheft technology its smart phones will be equipped with in order to comply with section 1.

Article 2: Resale of cellphones

1 [325E.319] Wireless communications devices; acquisition for resale.

Subd. 1. Definitions.

Section

Subd. 2. Purchase or acquisition record required. Requires a dealer – a person who buys or sells used cell phones – to keep a written record of each acquisition that includes information about the device, the transaction, the seller of the device (including driver’s license number), and a statement signed by the seller attesting that the cell phone is not stolen and is free of any liens or encumbrances. These records:

- are not required for phones purchased from merchants, manufacturers, or wholesalers having an established place of business;
- must be retained for three years;
- must be available for inspection by a law enforcement agency; and
- may not be disclosed to others without the seller’s consent.

Subd. 3. Records; prohibitions. Prohibits a dealer from violating the provisions of subdivision 2, from falsifying any entry in a cell phone purchase record, and from purchasing a used cell phone from a person under the age of 18.

Subd. 4. Payment for used wireless communications devices. Requires payment for a used cell phone by a check mailed to a specific address or by electronic transfer.

Subd. 5. Investigative holds; confiscation of property. Prohibits a used cell phone dealer from selling or removing from the dealer’s premises a used cell phone if notified by a law enforcement official that the official has probable cause to believe the cell phone is stolen or is evidence of a crime. This notification must be confirmed in writing within 30 days, and may be renewed. The official may physically confiscate the cell phone. If, following a notification, the official does not physically remove the cell phone from the dealer’s premises within 15 days, the dealer may sell the phone. A dealer may seek restitution in any criminal case that arises from an investigation.

Subd. 6. Video security cameras required. Requires a dealer to install and operate video cameras positioned to record the face of used cell phone sellers, and the date and time.

Subd. 7. Criminal penalty. Provides that an intentional violation of this section is a misdemeanor.

Subd. 8. Application. Provides that this section does not apply to a cell phone returned to its place of purchase under the dealer’s return policies, to cell phones acquired under a manufacturer’s or dealer’s trade-in program, or to cell phones acquired by pawnbrokers.