

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Scrap metal theft

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### Overview

The purpose of this bill is to help law enforcement agencies apprehend and prosecute scrap metal thieves. It would require scrap metal dealers to keep records of their purchases of scrap metal and make those records available to law enforcement agencies. The bill expands an existing law that is limited to only cable and wire of a type used by utility companies.

#### Section

- 1 Scrap metal dealer credit.** Provides scrap metal dealers with a tax credit for a percentage of qualifying expenditures. Defines "qualifying expenditures" as costs associated with the purchase or acquisition of automated reporting hardware and software and video surveillance equipment as required in section 2.
- 2 Dealers in scrap metal; records, reports, and registration.**

**Subd. 1. Purchase or acquisition record required.** Requires scrap metal dealers to keep records of purchases. Expands an existing law, which is limited to purchases of cable and wire used by utility companies, to include purchases of all scrap metal as defined in the bill. Requires that dealers keep records of each purchase, including what was purchased, when and where it was purchased, the name and address of the person who sold or delivered it, the number of the check used to purchase the scrap metal, the number of the driver's license of the person who sold or delivered it, and the license number of the vehicle used to deliver it. Requires that the records and the scrap metal purchased (if the dealer still has it) be available for inspection by law enforcement officers. Exempts certain types of purchases, but the dealer must still

retain a bill of sale or other evidence of the purchase. Makes technical changes to reflect the new definitions added in subdivision 9.

**Subd. 2. Sheriff's copy of record required.**

**para. (a).** Makes technical changes to reflect the definitions added in subdivision 9. This existing provision requires dealers who buy wire and cable used by utility companies to report their purchases weekly to the county sheriff. This bill has the effect of extending this requirement to include all scrap metal as defined in subdivision 9.

**para. (b).** Provides that the reporting duty imposed in paragraph (a) may be discharged electronically by an automated reporting system.

**Subd. 2a. Holding periods.** Prescribes a holding period for any scrap metal purchased or acquired by a scrap metal dealer. If the dealer transmits the weekly purchase reports to the sheriff electronically, the holding period is five business days. If the dealer transmits the weekly purchase reports to the sheriff manually, the holding period is ten business days.

**Subd. 3. Retention required.** Adds a reference to the new subdivision 5, requiring use of video cameras.

**Subd. 4. Payment by check required.** Requires that scrap metal dealers pay for scrap metal only by check.

**Subd. 5. Video security cameras required.** Requires that dealers install, maintain, and keep in operation during business hours and other times when scrap metal is purchased video surveillance cameras located so as to show the customer's face and the customer's vehicle. Subdivision 3 requires that the dealers keep the films or other video format for three years.

**Subd. 6. Registration required.** Requires scrap metal dealers to register with the commissioner of public safety. To be eligible to maintain a scrap metal dealer registration: the dealer: (1) must operate fairly and lawfully under statute and ordinance; (2) may not be a minor; (3) may not have been convicted of a crime that is directly related to the occupation; and (4) must be of good moral character or repute. Provides for a registration fee and minimum registration requirements.

**Subd. 7. Criminal penalty.** Creates a gross misdemeanor penalty for a scrap metal dealer who buys or receives scrap metal that the dealer knows or should know is ordinarily used by or belongs to a railroad or utility company without using due diligence to ascertain whether the seller has a legal right to the property.

**Subd. 8. Local regulation.** Provides that a local unit of government may license or otherwise regulate the purchase of scrap metal.

**Subd. 9. Definitions.** Defines the terms person, scrap metal, and scrap metal dealer.

- 3 **Damage or theft to energy transmission equipment.** Creates a five-year felony for intentionally and without consent damaging, taking, removing, severing, or breaking any line that transmits or distributes electricity or gas, including any apparatus connected to the line.
- 4 **Appropriation.** Appropriates money to the commissioner of public safety for purposes of the registration required by the bill.
- 5 **Effective date.** Provides that the criminal penalty in section 3 is effective August 1, 2007, and applies to crimes committed on or after that date.