



General Assembly

February Session, 2010

Raised Bill No. 5342

LCO No. 1442

01442_____PS_

Referred to Committee on Public Safety and Security

Introduced by:
(PS)

AN ACT CONCERNING THE LICENSING AND RECORD KEEPING OF PAWNBROKERS AND PRECIOUS METAL AND STONE DEALERS, THE RETENTION OF CERTAIN GOODS AND CERTAIN FEES CHARGED BY PAWNBROKERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 21-40 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 (a) The [selectmen] chief executive officer of any town and the chief
4 of police of any city may grant licenses to suitable persons to be
5 pawnbrokers and to carry on the business of lending money on the
6 deposit or pledge of personal property, or of purchasing such property
7 on condition of selling it back again at a stipulated price, or of
8 purchasing such property from a person who is not a wholesaler, in
9 such town or city respectively, and may revoke such licenses for cause,
10 [; but the selectmen] which shall include, but not be limited to, failure
11 to comply with any requirements for licensure specified by the
12 licensing authority at the time of issuance. The chief executive officer
13 shall not grant such licenses for the carrying on of such business within
14 the limits of any city. The person so licensed shall pay, for the benefit

15 of any such city or town, respectively, to the authority granting such
16 license a license fee of fifty dollars, and twenty-five dollars per year
17 thereafter for renewal of such license, and shall, at the time of receiving
18 such license, file, with the [mayor of such city or the first selectman]
19 chief executive officer of such city or town, a bond to such city or town,
20 with competent surety, in the penal sum of two thousand dollars, to be
21 approved by such licensing authority, and conditioned for the faithful
22 performance of the duties and obligations pertaining to the business so
23 licensed. Each such license shall designate the place where such
24 business is to be carried on and shall continue one year unless sooner
25 revoked. No license shall be issued under this section by the
26 [selectmen] chief executive officer or chief of police to any person who
27 has been convicted of a felony. The [selectmen] chief executive officer
28 or chief of police may require any applicant for a license under this
29 section to submit to state and national criminal history records checks.
30 If the [selectmen] chief executive officer or chief of police require such
31 criminal history records checks, such checks shall be conducted in
32 accordance with section 29-17a.

33 (b) If, in the judgment of the licensing authority, the licensee has
34 violated the requirements for licensure specified by the licensing
35 authority at the time of issuance, the licensing authority shall send
36 notice by registered or certified mail to the licensee, who shall be given
37 a hearing and, if violation is proven, the licensing authority shall
38 revoke such license.

39 Sec. 2. Section 21-41 of the general statutes is repealed and the
40 following is substituted in lieu thereof (*Effective October 1, 2010*):

41 (a) No pawnbroker or person who loans money on the deposit or
42 pledge of wearing apparel, jewelry, ornaments, household goods or
43 other personal property or purchases such property on condition of
44 selling the same back again at a stipulated price or purchases such
45 property from a person who is not a wholesaler shall take, receive or
46 purchase such property without receiving proof of the identity of the

47 person depositing, pledging or selling the property. Such identification
48 shall include a photograph, an address, if available on the
49 identification, and an identifying number, including, but not limited
50 to, a date of birth. Any person who wilfully violates any provision of
51 this subsection shall, for a first violation, have committed an infraction
52 and, for a second or subsequent violation committed within two years
53 of a prior violation, be guilty of a class A misdemeanor.

54 (b) Each such pawnbroker or person carrying on such business of
55 loaning money on the deposit or pledge of personal property or of
56 purchasing such property on condition of selling the same back again
57 at a stipulated price or of purchasing such property from a person who
58 is not a wholesaler shall maintain a computerized record-keeping
59 system deemed appropriate by the chief of police in cities and by the
60 [selectmen] chief executive officer in towns, in which shall be entered
61 in English, at the time [he] the pawnbroker or person carrying on such
62 business receives any article of personal property by way of pledge,
63 pawn or purchase, a description of such article, the name, residence,
64 proof of identity as required in subsection (a) of this section and a
65 general description of the person from whom, and the day and hour
66 when, such property was received. If the article of personal property
67 consists of jewelry, the pawnbroker or person carrying on such
68 business shall take a photograph of the article and maintain such
69 photograph in the computerized record-keeping system for not less
70 than sixty days after obtaining possession of such article. Such
71 computerized record-keeping system and the place where such
72 business is carried on and all articles of property therein may be
73 examined at all times by any state police officer, by any municipal
74 police officer, by the [selectmen] chief executive officer of the town or
75 any person by them designated or, if such business is carried on in a
76 city, by the chief of police of such city or [any person by him
77 designated] a designee. Any state police officer or municipal police
78 officer of the town or city where the business is carried on who
79 performs such an examination may require any employee on the
80 premises to provide proof of [his] the employee's identity.

81 Sec. 3. Section 21-42 of the general statutes is repealed and the
82 following is substituted in lieu thereof (*Effective October 1, 2010*):

83 Each such pawnbroker shall, at the time of making any loan on a
84 pawn or pledge of personal property or of purchasing such property
85 on condition of selling the same back again at a stipulated price or of
86 purchasing such property from a person who is not a wholesaler,
87 deliver to the person who pawns, pledges or sells such property a
88 memorandum or note containing the entry required to be made in [his]
89 such pawnbroker's record-keeping system by the provisions of section
90 21-41, as amended by this act. Each such pawnbroker may charge the
91 person who pawns, pledges or sells such property a reasonable fee for
92 such memorandum or note, the storage of such property, any
93 insurance for the property and any appraisal of the property. Each
94 such pawnbroker shall pay for any property received by pawn, pledge
95 or purchase only by check, draft or money order and shall not pay cash
96 for any such property except when the pawnbroker cashes a check,
97 draft or money order for the person who is pawning, pledging or
98 selling the property. When the pawnbroker cashes a check, draft or
99 money order, [he] the pawnbroker shall require proof of the identity of
100 the person presenting the check, draft or money order in accordance
101 with subsection (a) of section 21-41, as amended by this act. Any
102 person who wilfully violates any provision of this section shall be
103 guilty of a class A misdemeanor.

104 Sec. 4. Section 21-100 of the general statutes is repealed and the
105 following is substituted in lieu thereof (*Effective October 1, 2010*):

106 (a) No person may engage in or carry on the business of purchasing
107 gold or gold-plated ware, silver or silver-plated ware, platinum ware,
108 watches, jewelry, precious stones or coins unless such person is
109 licensed by the chief of police or, if there is no chief of police, the [first
110 selectman] chief executive officer of the municipality in which such
111 person intends to carry on such business; except that the provisions of
112 this subsection shall not apply to the purchase of such items from a

113 wholesaler by a manufacturer or retail seller whose primary place of
114 business is located in this state. Such person shall pay an annual fee of
115 ten dollars for such license. The license may be revocable for cause,
116 which shall include, but not be limited to, failure to comply with any
117 requirements for licensure specified by the licensing authority at the
118 time of issuance. A chief of police or [first selectman] chief executive
119 officer shall refuse to issue a license under this subsection to a person
120 who has been convicted of a felony. A chief of police or [first
121 selectman] chief executive officer may require any applicant for a
122 license to submit to state and national criminal history records checks.
123 If the chief of police or [first selectman] chief executive officer requires
124 such criminal history records checks, such checks shall be conducted in
125 accordance with section 29-17a. For the purposes of this subsection
126 "wholesaler" means a person in the business of selling tangible
127 personal property to be resold at retail or raw materials to be
128 manufactured into suitable forms for use by consumers.

129 (b) Each such [licensed person] licensee shall keep a record in which
130 [he] the licensee shall note at the time of each transaction a description
131 of the goods purchased and the price paid for them, the name and
132 address of the person selling the goods and the date and hour any such
133 goods were received. Each such [licensed person] licensee shall
134 demand positive identification from the person selling the article and
135 the type or form of identification received shall be noted in the record.
136 Any state police officer or municipal police officer shall have access to
137 the record required to be kept under this section and may inspect the
138 place where the business is carried on as well as any goods purchased
139 or received.

140 (c) No such [licensed person] licensee may purchase any goods from
141 a minor unless such minor is accompanied by a parent or guardian.
142 Each such [licensed person] licensee may only pay for goods received
143 by check, draft or money order and no cash shall be transferred to
144 either party in the course of a transaction subject to the provisions of
145 this section.

146 (d) At the time of making any purchase each [licensed person]
147 licensee shall deliver to the person selling goods a receipt containing
148 the information required to be recorded in subsection (b) of this
149 section, the amount paid for any goods sold and the name and address
150 of the purchaser.

151 (e) Each such licensee shall retain any goods purchased by such
152 licensee for not less than ten days before the resale or transfer of such
153 goods.

154 [(e)] (f) Upon request of the licensing authority each such [licensed
155 person] licensee shall make a weekly sworn statement, describing the
156 goods received and setting forth the name and address of each person
157 from whom goods were purchased, to the chief of police or [first
158 selectman] chief executive officer of each municipality in which [he]
159 the licensee transacted business that week. Such sworn statement shall
160 not be deemed public records for the purposes of the Freedom of
161 Information Act, as defined in section 1-200.

162 [(f)] (g) Any person who violates any provision of this section shall
163 be fined not more than one thousand dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	21-40
Sec. 2	<i>October 1, 2010</i>	21-41
Sec. 3	<i>October 1, 2010</i>	21-42
Sec. 4	<i>October 1, 2010</i>	21-100

Statement of Purpose:

To require pawnbrokers and precious metal and stone dealers to take photographs of jewelry and retain such jewelry for not less than ten days, to require pawnbrokers to keep computerized records, to permit pawnbrokers to charge a reasonable fee for issuing a memorandum or note and for the storage, insurance and appraisal of an item and to require a hearing prior to the revocation of a pawnbroker's license.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]