



General Assembly

January Session, 2011

Committee Bill No. 5795

LCO No. 4029

04029HB05795PS_

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. (NEW) (*Effective October 1, 2011*) As used in this section,
2 sections 10 and 11 of this act, sections 21-39 to 21-47, inclusive, of the
3 general statutes, as amended by this act, and section 21-100 of the
4 general statutes, as amended by this act:

5 (1) "Pawnbroker" means a person who is engaged in the business of
6 loaning money on the deposit or pledge of wearing apparel, jewelry,
7 ornaments, household goods or other personal property or purchasing
8 such property on condition of selling the same back again at a
9 stipulated price;

10 (2) "Precious metals dealer" means a person who is primarily
11 engaged in the business of purchasing gold or gold-plated ware, silver
12 or silver-plated ware, platinum ware, watches, jewelry, precious
13 stones, bullion or coins and licensed under section 21-100 of the

14 general statutes, as amended by this act;

15 (3) "Secondhand dealer" means a person who is engaged in the
16 business of purchasing personal property of any type from a person
17 who is not a wholesaler for the purpose of reselling or exchanging
18 such property, and has physical possession of such property, other
19 than an antiques dealer, art dealer, coin and stamp dealer, precious
20 metals dealer, pawnbroker, consignment shop operator, special
21 collectibles dealer, musical instrument dealer, used book dealer, dealer
22 in motor vehicles as described in chapter 246 of the general statutes,
23 auctioneer as described in chapter 403 of the general statutes, junk
24 dealer, as defined in section 21-9 of the general statutes, as amended by
25 this act, scrap metal processor, as defined in section 14-67w of the
26 general statutes, recycling facility, as defined in section 22a-207 of the
27 general statutes, or bona fide charitable or religious corporation;

28 (4) "Antiques dealer" means a person who is primarily engaged in
29 the business of buying and selling items collected or desirable due to
30 age, rarity, condition or some other unique feature;

31 (5) "Art dealer" means a person who is primarily engaged in the
32 business of buying and selling illustrative and decorative paintings,
33 drawings, photographs, prints, sculptures or other works in the
34 graphic or plastic arts, or decorative or artistic objects;

35 (6) "Coin and stamp dealer" means a person who is primarily
36 engaged in the business of buying and selling coins, stamps, currency
37 or rare documents collected or desirable due to age, rarity, condition or
38 some other unique feature;

39 (7) "Consignment shop operator" means a person who is primarily
40 engaged in the business of selling personal property as the agent of
41 another person who has placed such property in the physical
42 possession of the agent when such other person has not been paid for
43 such property, retains legal title to such property and bears the risk of
44 loss until such property is sold to a third person;

45 (8) "Special collectibles dealer" means a person who is primarily
46 engaged in the business of buying or selling a distinctive type of
47 manufactured item of limited supply designed for persons to collect or
48 that possesses attractive characteristics, rarity, uniqueness, production
49 faults or other distinctive characteristics necessary to cause a person to
50 save it for hobby, display or investment purposes, without regard to its
51 value or practical use, including, but not limited to, china, glass, toys,
52 militaria, sports memorabilia, movie memorabilia, railroad
53 memorabilia, models, comic books, dolls, figurines or other items of
54 interest to a discrete group of persons, excluding antiques, coins,
55 stamps, works of art, books, jewelry or precious metals;

56 (9) "Musical instruments dealer" means a person who is primarily
57 engaged in the business of buying and selling new and used musical
58 instruments and accessories;

59 (10) "Used book dealer" means a person who is primarily engaged
60 in the business of buying and selling books previously sold at retail
61 from persons other than a publisher or wholesaler;

62 (11) "Wholesaler" means a person engaged in the business of buying
63 property in large quantities and reselling the property in the same or
64 smaller quantities to persons who resell the property to the ultimate
65 consumer;

66 (12) "Licensing authority" means the chief of police of any town or
67 city or, if such town or city does not have an organized local police
68 department, the Commissioner of Public Safety; and

69 (13) "Person" means an individual, corporation, limited liability
70 company, partnership or association.

71 Sec. 2. Section 21-39 of the general statutes is repealed and the
72 following is substituted in lieu thereof (*Effective October 1, 2011*):

73 No person [, corporation, limited liability company or partnership]

74 shall, in any city or town of this state, engage in or carry on the
75 business of [loaning money upon deposits or pledges of wearing
76 apparel, jewelry, ornaments, household goods or other personal
77 property, or of purchasing such property on condition of selling the
78 same back again at a stipulated price, unless such person, corporation,
79 limited liability company or partnership is licensed as] a pawnbroker
80 unless such person is licensed in accordance with section 21-40, as
81 amended by this act; but the provisions of this chapter shall apply only
82 if such property is deposited with a lender, and shall not apply to
83 loans made upon stock, bonds, notes or other written or printed
84 evidence of ownership of property or of indebtedness to the holder or
85 owner of any such securities.

86 Sec. 3. Section 21-40 of the general statutes is repealed and the
87 following is substituted in lieu thereof (*Effective October 1, 2011*):

88 (a) The [selectmen] licensing authority of any town [and the chief of
89 police of any] or city may grant licenses to suitable persons to be
90 pawnbrokers [and to carry on the business of lending money on the
91 deposit or pledge of personal property, or of purchasing such property
92 on condition of selling it back again at a stipulated price, or of
93 purchasing such property from a person who is not a wholesaler,] in
94 such town or city respectively, and may suspend or revoke such
95 licenses for cause, [; but the selectmen shall not grant such licenses for
96 the carrying on of such business within the limits of any city] which
97 shall include, but not be limited to, failure to comply with any
98 requirements for licensure specified by the licensing authority at the
99 time of issuance.

100 (b) The person so licensed shall pay, for the benefit of any such city
101 or town, respectively, or if the licensing authority is the Department of
102 Public Safety, for the benefit of said department, to the licensing
103 authority [granting such license] a license fee of fifty dollars, and
104 twenty-five dollars per year thereafter for renewal of such license, and
105 shall, at the time of receiving such license, file, with the [mayor of such

106 city or the first selectman] licensing authority of such city or town, a
107 bond to such city or town, with competent surety, in the penal sum of
108 two thousand dollars, to be approved by such licensing authority, and
109 conditioned for the faithful performance of the duties and obligations
110 pertaining to the business so licensed unless such person is also
111 licensed as a secondhand dealer in accordance with section 10 of this
112 act, in which case the licensing authority shall waive the payment of
113 renewal fees and filing of a bond required by this subsection.

114 (c) Each such license shall designate the place where such business
115 is to be carried on and shall [continue] be in effect for one year unless
116 sooner suspended or revoked. Such license shall be displayed in a
117 conspicuous location in the place where such business is carried on. At
118 the time of application for such license and each renewal thereof, the
119 applicant shall disclose to the licensing authority all places used or
120 intended to be used by the business for the purchase, receipt, storage
121 or sale of property. During the term of such license, the licensee shall
122 notify the licensing authority of any additional places that will be used
123 by the business for the purchase, receipt, storage or sale of property
124 prior to such use.

125 (d) An application for such license shall be made in writing, under
126 oath. The application shall contain: (1) The type of business to be
127 engaged in, (2) the applicant's full name, age and date and place of
128 birth, (3) the applicant's residence addresses and places of employment
129 within the preceding five years, (4) the applicant's present occupation,
130 (5) any crime of which the applicant has been convicted and the date
131 and place of such conviction, and (6) such additional information as
132 the licensing authority deems necessary to investigate the
133 qualifications, character, competency and integrity of the applicant. If
134 the applicant is a corporation, limited liability company, partnership or
135 association, the application shall contain the information required by
136 this subsection for each individual who is or will be an officer,
137 shareholder, financial backer or creditor, other than a financial
138 institution, of such entity or any other individual with a relationship to

139 such entity similar to that of an officer, shareholder, financial backer or
140 creditor.

141 (e) The application for such license and any renewal thereof shall
142 contain information on any Internet web site or account used by such
143 applicant to conduct the business. During the term of the license, the
144 licensee shall notify the licensing authority in writing of the addition
145 or discontinuation of any Internet web sites or accounts used to
146 conduct the business.

147 (f) No license shall be issued under this section by the [selectmen or
148 chief of police] licensing authority to any person who has been
149 convicted of a felony. [The selectmen or chief of police may require any
150 applicant for a license under this section to submit to state and national
151 criminal history records checks. If the selectmen or chief of police
152 require such criminal history records checks, such checks] The
153 licensing authority may require any applicant, employee or person
154 with an ownership interest in the business to submit to state and
155 national criminal history records checks. Whenever the licensing
156 authority requires such criminal history records checks, such
157 individual shall submit two complete sets of fingerprints on forms
158 prescribed by the licensing authority. Any criminal history records
159 checks required pursuant to this subsection shall be conducted in
160 accordance with section 29-17a. The licensing authority may charge the
161 individual a fee equal to the fees established by the Federal Bureau of
162 Investigation and the State Police Bureau of Identification for
163 performing such criminal history records checks.

164 (g) The licensing authority shall grant or deny such application not
165 later than ninety days after the filing of such application with the
166 licensing authority. The licensee shall file for a renewal of such license
167 at least sixty days before the expiration of such license and the
168 licensing authority shall grant or deny such renewal not later than
169 thirty days after the filing of such application for renewal. Failure of
170 the licensing authority to act on such initial application or renewal

171 application within the applicable period specified in this subsection
172 shall be deemed to be a denial. The licensing authority may suspend,
173 revoke or modify any license issued under this section at any time
174 during the period of the license for good cause shown, upon notice to
175 the licensee and following a hearing. The licensing authority shall hold
176 any such hearing not later than five days after the date of issuance of
177 such notice, and shall issue a decision not more than fourteen days
178 after any hearing. Any person aggrieved by any action of the licensing
179 authority in denying, suspending, revoking, modifying or refusing to
180 renew a license issued pursuant to this section may appeal from such
181 action to the Superior Court.

182 Sec. 4. Section 21-41 of the general statutes is repealed and the
183 following is substituted in lieu thereof (*Effective October 1, 2011*):

184 (a) No pawnbroker [or person who loans money on the deposit or
185 pledge of wearing apparel, jewelry, ornaments, household goods or
186 other personal property or purchases such property on condition of
187 selling the same back again at a stipulated price or purchases such
188 property from a person who is not a wholesaler] shall take, receive or
189 purchase [such] tangible personal property without receiving proof of
190 the identity of the person depositing, pledging or selling the property.
191 Such identification shall include a photograph, an address, if available
192 on the identification, and an identifying number, including, but not
193 limited to, date of birth. [Any person who wilfully violates any
194 provision of this subsection shall, for a first violation, have committed
195 an infraction and, for a second or subsequent violation committed
196 within two years of a prior violation, be guilty of a class A
197 misdemeanor.] No pawnbroker shall enter into any pledge or purchase
198 transaction with a minor unless such minor is accompanied by such
199 minor's parent or guardian.

200 (b) Each such pawnbroker [or person carrying on such business of
201 loaning money on the deposit or pledge of personal property or of
202 purchasing such property on condition of selling the same back again

203 at a stipulated price or of purchasing such property from a person who
204 is not a wholesaler] shall maintain a computerized record-keeping
205 system deemed appropriate by the [chief of police in cities and by the
206 selectmen in towns] licensing authority, in which shall be entered in
207 English, at the time [he] the pawnbroker receives any article of
208 personal property by way of pledge, [pawn] deposit or purchase, a
209 description of such article, the name, residence address, proof of
210 identity as required in subsection (a) of this section and a general
211 description of the person from whom, and the [day] date and hour
212 when, such property was received and in which, if the property does
213 not contain any identifiable numbers or markings, shall be included a
214 digital photograph of each article. Each entry in the record-keeping
215 system shall be numbered consecutively. A tag shall be attached to the
216 article in a visible and convenient place with a number written on such
217 tag corresponding to the entry number in the record-keeping system
218 and shall remain attached to the article until the article is sold or
219 otherwise disposed of, provided the licensing authority shall prescribe
220 procedures authorizing the removal of such tags from articles
221 including those articles consisting of jewelry that are cleaned and
222 repaired on the premises by the pawnbroker that will provide
223 accountability for such article. Such record-keeping system and the
224 place where such business is carried on and all articles of property
225 therein may be examined at all times by any state police officer, [by
226 any] municipal police officer, by the [selectmen of the town] licensing
227 authority or any person by them designated. [or, if such business is
228 carried on in a city, by the chief of police of such city or any person by
229 him designated.] Any state police officer or municipal police officer [of
230 the town or city where the business is carried on] who performs such
231 an examination may require any employee on the premises to provide
232 proof of [his] the employee's identity. All records maintained pursuant
233 to this section shall be retained by the pawnbroker for not less than
234 two years.

235 (c) Except as provided in subsection (d) of this section, the

236 description of any property received by a pawnbroker under this
237 section shall include, but shall not be limited to, all distinguishing
238 marks, names of any kind, including brand and model names, model
239 and serial numbers, engravings, etchings, affiliation with any
240 institution or organization, dates, initials, color, vintage or image
241 represented. Any description of audio, video or electronic media of
242 any kind shall also include the title and artist or any other identifying
243 information contained on the cover or external surface of such media.

244 (d) The licensing authority may provide for an exemption from, or
245 establish additional or different requirements than, the requirements of
246 subsection (c) of this section upon consideration of the nature of the
247 property, transaction or business, including, but not limited to, articles
248 in bulk lots or articles of minimal value.

249 Sec. 5. Section 21-42 of the general statutes is repealed and the
250 following is substituted in lieu thereof (*Effective October 1, 2011*):

251 (a) Each such pawnbroker shall, at the time of making any loan on a
252 pawn or pledge of personal property or of purchasing such property
253 on condition of selling the same back again at a stipulated price [or of
254 purchasing such property from a person who is not a wholesaler,]
255 deliver to the person who [pawns] deposits, pledges or sells such
256 property a memorandum or note containing (1) the entry required to
257 be made in [his] such pawnbroker's computerized record-keeping
258 system by the provisions of section 21-41, as amended by this act, (2) a
259 copy of the statement signed by the person who deposits, pledges or
260 sells such property that represents and warrants that such property is
261 not stolen and has no liens or encumbrances against it, and that such
262 person is the rightful owner of such property and has the right to enter
263 into the transaction, and (3) a copy of the statement signed by the
264 person who deposits, pledges or sells such property that states such
265 person will indemnify and hold harmless such pawnbroker for any
266 loss arising from the transaction because of a superior right of
267 possession to the property residing with a third person. Each such

268 pawnbroker may charge the person who deposits, pledges or sells
269 such property a fee for such memorandum or note, the processing and
270 recording of the transaction, the storage of the property, any insurance
271 for the property and any appraisal of the property. Each such
272 pawnbroker shall pay for any property received by [pawn] deposit,
273 pledge or purchase only by check, draft or money order and shall not
274 pay cash for any such property except when the pawnbroker cashes a
275 check, draft or money order for the person who is [pawning]
276 depositing, pledging or selling the property. When the pawnbroker
277 cashes a check, draft or money order, [he] such pawnbroker shall
278 require proof of the identity of the person presenting the check, draft
279 or money order in accordance with subsection (a) of section 21-41, as
280 amended by this act. [Any person who wilfully violates any provision
281 of this section shall be guilty of a class A misdemeanor.]

282 (b) Each check, draft or money order used to pay for property
283 received by a pawnbroker shall contain the number or numbers
284 associated with such property in the record-keeping system
285 maintained in accordance with section 21-41, as amended by this act.
286 Whenever payment is made by check, the pawnbroker shall retain the
287 electronic copy of such check or other record issued by the financial
288 institution who processed such check, and such copy or record shall be
289 subject to inspection pursuant to section 21-41, as amended by this act,
290 as part of such record-keeping system. No pawnbroker shall cash any
291 check, draft or money order issued by such pawnbroker in an amount
292 in excess of one thousand dollars and no person shall structure any
293 transaction or transactions to avoid this prohibition. Any transaction or
294 transactions between a pawnbroker and the same party within a
295 twenty-four-hour period shall be aggregated and considered a single
296 transaction for the purposes of this section.

297 Sec. 6. Section 21-43 of the general statutes is repealed and the
298 following is substituted in lieu thereof (*Effective October 1, 2011*):

299 Each [such] pawnbroker shall [make, weekly] submit to the

300 licensing authority, weekly, or more frequently as determined by the
301 licensing authority upon consideration of the volume and nature of the
302 business, a sworn statement of his or her transactions, describing the
303 [goods] property received and setting forth the nature and terms of the
304 transaction and the name and residence address and a description of
305 the person from whom the [goods were] property was received. [, to
306 the chief of police in cases of cities and boroughs, and in other cases to
307 the town clerk of the town in which such pawnbroker resides. Any
308 such pawnbroker who wilfully fails to make the report required by this
309 section shall be fined not more than one hundred dollars.] Such
310 statement shall be in an electronic format prescribed by the licensing
311 authority. The licensing authority may grant an exemption from the
312 requirement of submitting such statement in electronic format for good
313 cause shown.

314 Sec. 7. Section 21-45 of the general statutes is repealed and the
315 following is substituted in lieu thereof (*Effective October 1, 2011*):

316 No pawnbroker shall sell or dispose of any personal property left
317 with [him] such pawnbroker in deposit or pledge for money loaned or
318 as a result of the purchase of such property on condition of selling the
319 same back again at a stipulated price in less than [two months] sixty
320 days from the [day] date when the same is left in deposit or pledge [as
321 aforesaid] or purchased on condition of selling the same back again at
322 a stipulated price, except when such sale or disposition is to the person
323 who deposited, pledged or sold such property or an authorized agent
324 of such person. All such property may be sold or disposed of at the
325 [premises] place of business of such pawnbroker or at public sale after
326 [advertisement in a daily newspaper published in the town in which
327 such pawnbroker carries on business, at least once two days before the
328 date of the sale or sales, which advertisement shall state the numbers
329 of the pledge tickets representing the property offered for sale, and the
330 date or dates when such tickets were issued.] such sixty-day period.
331 Upon the expiration of sixty days from the date when such property is
332 left with a licensee, if the person who deposited or pledged such

333 property fails to redeem any such property in accordance with the
334 terms of the transaction, such right of redemption or repurchase on the
335 part of the person who deposited or pledged such property shall be
336 extinguished and the licensee shall acquire the entire interest in the
337 property that was held by the person who deposited or pledged such
338 property prior to such deposit or pledge without further notice to such
339 person.

340 Sec. 8. Section 21-46a of the general statutes is repealed and the
341 following is substituted in lieu thereof (*Effective October 1, 2011*):

342 Whenever property is seized from the [premises] place of business
343 of a pawnbroker, precious metals dealer or secondhand dealer by a
344 law enforcement officer, such officer shall give the pawnbroker,
345 precious metals dealer or secondhand dealer a duly signed receipt for
346 the property containing a case number, a description of the property,
347 the reason for the seizure, the name and address of the officer, the
348 name and address of the person claiming a right to the property prior
349 to the pawnbroker, precious metals dealer or secondhand dealer and
350 the name of the pawnbroker, precious metals dealer or secondhand
351 dealer. If the pawnbroker, precious metals dealer or secondhand dealer
352 claims an ownership interest in such property, he or she may request
353 the return of such property by filing a request [therefor] for such
354 property with the law enforcement agency in accordance with the
355 provisions of section 54-36a. If the person who deposited, pledged or
356 sold any property received by a licensee is convicted of any offense
357 arising out of such licensee's acquisition, retention or disposition of the
358 property and the licensee suffered an economic loss as a result of such
359 offense, the court, at the time of sentencing, may order restitution to
360 the licensee pursuant to subsection (c) of section 53a-28 and such order
361 may be enforced in accordance with section 53a-28a.

362 Sec. 9. Section 21-47 of the general statutes is repealed and the
363 following is substituted in lieu thereof (*Effective October 1, 2011*):

364 (a) Any person [, corporation, limited liability company or
365 partnership which] who wilfully engages in the business of a
366 pawnbroker, [or in any business described in section 21-39,] unless
367 licensed according to law, or after notice that [its] his or her license has
368 been suspended or revoked, shall be guilty of a class D felony. [, and
369 also shall forfeit treble the amount loaned on the property so pledged
370 to any person injured thereby who sues therefor.]

371 (b) Any person [, corporation, limited liability company or
372 partnership which] who wilfully violates any of the provisions of this
373 chapter for which no other penalty is provided [or neglects to keep a
374 record-keeping system in the English language or to make the entries
375 therein as provided by law or refuses to allow the same to be inspected
376 by the proper officers or receives an article of personal property by
377 way of pawn, pledge or purchase from any minor, knowing or having
378 reason to believe him to be a minor,] shall be guilty of a class A
379 misdemeanor.

380 Sec. 10. (NEW) (*Effective October 1, 2011*) (a) No person shall engage
381 in the business of a secondhand dealer, as defined in section 1 of this
382 act, in any city or town of this state unless such person is licensed in
383 accordance with this section. The licensing authority of any city or
384 town may grant a secondhand dealer license to any suitable person
385 with a fixed place of business within the limits of such city or town.
386 The provisions of this section shall not apply to any transaction
387 involving the purchase of personal property of any type from a person
388 who is not a wholesaler for the purpose of reselling or exchanging
389 such property by (1) a bona fide charitable or religious corporation, or
390 (2) a person conducting a garage sale, yard sale, tag sale or estate sale
391 conducted entirely at a private residence, provided such sale does not
392 exceed seventy-two hours in duration during any six-month period
393 from the requirements of this section.

394 (b) Any person granted a license under subsection (a) of this section
395 shall pay, for the benefit of the city or town, respectively, or if the

396 licensing authority is the Department of Public Safety, for the benefit of
397 said department, to the licensing authority a license fee of two
398 hundred fifty dollars, and one hundred dollars per year thereafter, for
399 renewal of such license, and shall, at the time of receiving such license,
400 file, with the licensing authority, a bond to such city or town, with
401 competent surety, in the amount of ten thousand dollars, to be
402 approved by such licensing authority and conditioned for the faithful
403 performance of the duties and obligations pertaining to the business so
404 licensed.

405 (c) Each such license shall designate the place where such business
406 is to be carried on and shall be in effect for one year unless sooner
407 suspended or revoked. Such license shall be displayed in a
408 conspicuous location in the place where such business is carried on. At
409 the time of application for such license and each renewal thereof, the
410 applicant shall disclose to the licensing authority all places used or
411 intended to be used by the business for the purchase, receipt, storage
412 or sale of property. During the term of such license, the licensee shall
413 notify the licensing authority of any additional places that will be used
414 by the business for the purchase, receipt, storage or sale of property
415 prior to such use.

416 (d) An application for such license shall be made in writing, under
417 oath. The application shall contain: (1) The type of business to be
418 engaged in, (2) the applicant's full name, age and date and place of
419 birth, (3) the applicant's residence addresses and places of employment
420 within the preceding five years, (4) the applicant's present occupation,
421 (5) any crime of which the applicant has been convicted and the date
422 and place of such conviction, and (6) such additional information as
423 the licensing authority deems necessary to investigate the
424 qualifications, character, competency and integrity of the applicant. If
425 the applicant is a corporation, limited liability company, partnership or
426 association, the application shall contain the information required by
427 this subsection for each individual who is or will be an officer,
428 shareholder, financial backer or creditor, other than a financial

429 institution, of such entity or any other individual with a relationship to
430 such entity similar to that of an officer, shareholder, financial backer or
431 creditor.

432 (e) The application for such license and any renewal thereof shall
433 contain information on any Internet web site or account used by such
434 applicant to conduct the business. During the term of the license, the
435 licensee shall notify the licensing authority, in writing, of the addition
436 or discontinuation of any Internet web sites or accounts used to
437 conduct the business.

438 (f) No license shall be issued under this section by the licensing
439 authority to any person who has been convicted of a felony. The
440 licensing authority may require any applicant, employee or person
441 with an ownership interest in the business to submit to state and
442 national criminal history records checks. Whenever the licensing
443 authority requires such criminal history records checks, such
444 individual shall submit two complete sets of fingerprints on forms
445 prescribed by the licensing authority. Any criminal history records
446 checks required pursuant to this subsection shall be conducted in
447 accordance with section 29-17a of the general statutes. The licensing
448 authority may charge the individual a fee equal to the fees established
449 by the Federal Bureau of Investigation and the State Police Bureau of
450 Identification for performing such criminal history records checks.

451 (g) The licensing authority shall grant or deny an initial application
452 not later than ninety days after the filing of such application with the
453 licensing authority. The licensee shall file for any renewal of such
454 license at least sixty days before the expiration of such license and the
455 issuing authority shall grant or deny such renewal not later than thirty
456 days from the filing of such application for renewal. Failure of the
457 licensing authority to act on such application or renewal within such
458 period shall be deemed to be a denial.

459 (h) The licensing authority may suspend or revoke any license

460 issued under this section or modify the requirements for such license
461 at any time during the period of the license for good cause shown,
462 upon notice to the licensee and following a hearing, which shall be
463 held not later than five days following the date of issuance of such
464 notice. The licensing authority shall issue a decision not more than
465 fourteen days following any hearing.

466 (i) Any person aggrieved by any action of the licensing authority in
467 denying, suspending, revoking or refusing to renew a license issued
468 pursuant to this section or modifying the requirements for such license
469 may appeal from such action to the Superior Court.

470 (j) Any applicant for a license or renewal thereof may, at the time of
471 the initial application or any time thereafter, apply for an exemption
472 from the provisions of this section for the term of the license or for
473 such shorter period as the licensing authority may determine. The
474 licensing authority may grant such exemption for good cause shown.
475 The licensing authority may, for good cause shown, exempt any
476 individual from the provisions of this section who engages in activities
477 otherwise subject to the provisions of this section on an occasional
478 basis.

479 (k) Any person who wilfully engages in the business of a
480 secondhand dealer, unless licensed in accordance with this section, or
481 after notice that such person's license has been suspended or revoked,
482 shall be guilty of a class D felony.

483 Sec. 11. (NEW) (*Effective October 1, 2011*) (a) No secondhand dealer
484 shall take, receive or purchase tangible personal property without
485 receiving proof of the identity of the person selling the property if such
486 person is not a wholesaler. Such identification shall include a
487 photograph, an address, if available on the identification, and an
488 identifying number, including, but not limited to, date of birth.

489 (b) Each such secondhand dealer shall maintain a record-keeping
490 system deemed appropriate by the licensing authority which shall be

491 entered in English, at the time the secondhand dealer purchases any
492 article of personal property, a description of such article and the name,
493 the residence address, the proof of identity as required by this section
494 and a general description of the person from whom, and the date and
495 hour when, such property was purchased and in which, if the property
496 does not contain any identifiable numbers or markings, shall be
497 included a digital photograph of such article. Each entry in such
498 record-keeping system shall be numbered consecutively. A tag shall be
499 attached to the article in a visible and convenient place with a number
500 written on such tag corresponding to the entry number in the record-
501 keeping system and shall remain attached to the article until the article
502 is sold or otherwise disposed of, provided the licensing authority shall
503 prescribe procedures authorizing the removal of such tags from
504 articles. Such tag shall be visible in the digital photograph required by
505 this subsection. Such record-keeping system and the place or places
506 where such business is carried on and all articles of property therein
507 may be examined at any time by any state police officer or municipal
508 police officer. Any state police officer or municipal police officer who
509 performs such an examination may require any employee on the
510 premises to provide proof of such employee's identity. All records
511 maintained pursuant to this section shall be retained by the
512 secondhand dealer for not less than two years.

513 (c) Except as provided in subsection (d) of this section, the
514 description of any property purchased by a secondhand dealer under
515 this section shall include, but not be limited to, all distinguishing
516 marks, names of any kind, including brand and model names, model
517 and serial numbers, engravings, etchings, affiliation with any
518 institution or organization, dates, initials, color, vintage or image
519 represented. Any description of audio, video or electronic media of
520 any kind shall also include the title and artist or other identifying
521 information contained on the cover or external surface of such media.

522 (d) The licensing authority may provide for an exemption from the
523 requirements of subsection (c) of this section, or establish additional or

524 different requirements concerning the description of any property
525 purchased by a secondhand dealer, upon consideration of the nature of
526 the property, transaction or business, including, but not limited to,
527 articles in bulk lots or articles of minimal value.

528 (e) (1) Except as provided in subsection (f) of this section, each
529 secondhand dealer shall pay for any property purchased only by check
530 or money order and shall not pay cash for any such property. Any
531 secondhand dealer who pays by check shall retain the electronic copy
532 of such check or other record issued by the financial institution who
533 processed such check, and such copy or record shall be subject to
534 inspection in accordance with this section as part of the record-keeping
535 system.

536 (2) No secondhand dealer shall pay or cash any instrument issued
537 by him. The dealer shall indicate on each such instrument the number
538 or numbers associated with such property in the record-keeping
539 system required to be maintained pursuant to this section.

540 (f) Any secondhand dealer who was licensed in any city or town as
541 a pawnbroker pursuant to section 21-39 of the general statutes, as
542 amended by this act, on March 31, 2011, and who continues to hold
543 such license, may pay for property received pursuant to a secondhand
544 dealer license issued in accordance with section 10 of this act in the
545 manner authorized under section 21-42 of the general statutes, as
546 amended by this act, until July 1, 2021, provided such secondhand
547 dealer complies with all other provisions of this section relating to
548 secondhand dealers.

549 (g) No secondhand dealer may purchase any personal property
550 from a minor unless such minor is accompanied by such minor's
551 parent or guardian.

552 (h) Each secondhand dealer shall make to the licensing authority,
553 weekly or more frequently as determined by the licensing authority
554 upon consideration of the volume and nature of the business, a sworn

555 statement of his or her transactions, describing the property purchased
556 and setting forth the nature and terms of the transaction and the name
557 and residence address and a description of the person from whom the
558 property was received. Such report shall be in an electronic format
559 prescribed by the licensing authority. The licensing authority may
560 grant exemptions from the requirement of making reports in an
561 electronic format for good cause shown.

562 (i) No secondhand dealer shall sell or dispose of any personal
563 property acquired in any transaction in the course of business in less
564 than ten days after the date of its receipt.

565 (j) Whenever property is seized from the place of business of a
566 secondhand dealer by a law enforcement officer, such officer shall give
567 such secondhand dealer a duly signed receipt for the property
568 containing a case number, a description of the property, the reason for
569 the seizure, the name and address of the officer, the name and address
570 of the person claiming a right to the property prior to the secondhand
571 dealer and the name of the secondhand dealer. If the secondhand
572 dealer claims an ownership interest in such property, such secondhand
573 dealer may request the return of such property by filing a request for
574 such property with the law enforcement agency in accordance with the
575 provisions of section 54-36a of the general statutes. If the seller of any
576 property purchased by a secondhand dealer is convicted of any offense
577 arising out of such secondhand dealer's acquisition of the property and
578 the secondhand dealer suffered an economic loss as a result of such
579 offense, the court may, at the time of sentencing, order restitution to
580 the secondhand dealer pursuant to subsection (c) of section 53a-28 of
581 the general statutes, which order may be enforced in accordance with
582 section 53a-28a of the general statutes.

583 (k) Any person who violates any of the provisions of this section
584 shall be guilty of a class A misdemeanor.

585 Sec. 12. Section 21-100 of the general statutes is repealed and the

586 following is substituted in lieu thereof (*Effective October 1, 2011*):

587 (a) No person may engage in or carry on the business of purchasing
588 gold or gold-plated ware, silver or silver-plated ware, platinum ware,
589 watches, jewelry, precious stones, bullion or coins unless such person
590 is licensed by the [chief of police or, if there is no chief of police, the
591 first selectman] licensing authority of the municipality in which such
592 person intends to carry on such business; except that the provisions of
593 this subsection shall not apply to the purchase of such items from a
594 wholesaler by a manufacturer or retail seller whose primary place of
595 business is located in this state. Such person shall pay an annual fee of
596 ten dollars for such license. The license may be revocable for cause,
597 which shall include, but not be limited to, failure to comply with any
598 requirements for licensure specified by the licensing authority at the
599 time of issuance. [A chief of police or first selectman] The licensing
600 authority shall refuse to issue a license under this subsection to a
601 person who has been convicted of a felony [. A chief of police or first
602 selectman] and may require any applicant for a license to submit to
603 state and national criminal history records checks. If the [chief of police
604 or first selectman] licensing authority requires such criminal history
605 records checks, such checks shall be conducted in accordance with
606 section 29-17a. For the purposes of this subsection "wholesaler" means
607 a person in the business of selling tangible personal property to be
608 resold at retail or raw materials to be manufactured into suitable forms
609 for use by consumers.

610 (b) Any person who wilfully engages in the business of a precious
611 metal dealer, unless licensed in accordance with this section or after
612 notice that such person's license has been suspended or revoked, shall
613 be guilty of a class D felony.

614 [(b)] (c) Each such [licensed person] licensee shall keep a record in
615 which [he] such licensee shall note at the time of each transaction a
616 description of the [goods] property purchased and the price paid for
617 them, the name and address of the person selling the goods and the

618 date and hour any such [goods were] property was received. Each
619 such [licensed person] licensee shall demand positive identification
620 from the person selling the article and the type or form of
621 identification received shall be noted in the record. Any state police
622 officer or municipal police officer shall have access to the record
623 required to be kept under this section and may inspect the place where
624 the business is carried on as well as any goods purchased or received.

625 ~~[(c)]~~ (d) No [such licensed person] licensee may purchase any
626 [goods] property from a minor unless such minor is accompanied by a
627 parent or guardian. Each such [licensed person] licensee may only pay
628 for [goods] property received by check, draft or money order and no
629 cash shall be transferred to either party in the course of a transaction
630 subject to the provisions of this section.

631 ~~[(d)]~~ (e) At the time of making any purchase each [licensed person]
632 licensee shall deliver to the person selling [goods] property a receipt
633 containing the information required to be recorded in subsection ~~[(b)]~~
634 (c) of this section, the amount paid for any [goods] property sold and
635 the name and address of the purchaser.

636 ~~[(e)]~~ (f) Upon request of the licensing authority each such [licensed
637 person] licensee shall make a weekly sworn statement, describing the
638 goods received and setting forth the name and address of each person
639 from whom goods were purchased, to the [chief of police or first
640 selectman] licensing authority of each municipality in which [he] the
641 licensee transacted business that week. Such sworn statement shall not
642 be deemed public records for the purposes of the Freedom of
643 Information Act, as defined in section 1-200.

644 ~~[(f)]~~ (g) Any person who violates any provision of this section, for
645 which no other penalty is provided, shall be [fined not more than one
646 thousand dollars] guilty of a class A misdemeanor.

647 Sec. 13. Section 21-9 of the general statutes is repealed and the
648 following is substituted in lieu thereof (*Effective October 1, 2011*):

649 As used in this chapter, "junk dealer" means any person who
650 engages in business as a dealer and trader in junk, old metals, scrap,
651 rags, waste paper or other secondhand articles that are no longer
652 serviceable for their original manufactured purpose, and "junk yard"
653 means any place in or on which old metal, glass, paper, cordage or
654 other waste or discarded or secondhand material, which has not been a
655 part, or is not intended to be a part, of any motor vehicle, is stored or
656 deposited.

657 Sec. 14. Section 21-11 of the general statutes is repealed and the
658 following is substituted in lieu thereof (*Effective October 1, 2011*):

659 Any person desiring to engage in business as a dealer [and trader in
660 secondhand bicycles,] in junk, metals or other secondhand articles that
661 are no longer serviceable for their original manufactured purpose in
662 any town, city or borough shall make application to the selectmen of
663 such town, the mayor or chief of police of such city or the warden of
664 such borough, as the case may be, for a license to transact such
665 business within the limits of such town, city or borough, and the
666 selectmen of such town, the mayor or chief of police of such city or the
667 warden of such borough shall issue such licenses to such suitable
668 persons as apply therefor and may revoke any such license for cause;
669 but the selectmen shall not grant any such license for the carrying on of
670 such business within the limits of any city or borough, and the persons
671 so licensed shall pay, for the benefit of any such town, city or borough,
672 to the authority granting the license, not less than two nor more than
673 ten dollars therefor, to be determined by the authority granting the
674 license, and for renewal of such license ten dollars per year. Each
675 license granted under the provisions of this section shall designate the
676 place where such business is to be carried on, and shall continue for
677 one year unless sooner revoked. Each such dealer shall keep a book in
678 which shall be written in English a description of such articles and the
679 name and residence and a general description of the person from
680 whom, and the time and hour when, such property was received; and
681 such book, and all articles of property mentioned [therein] in such

682 book, and the place where such business is carried on, may be
 683 examined at any time by the selectmen of the town or any person
 684 designated by them, and, in any city or borough, by the chief of police
 685 of such city or borough or any person [by him] designated by the chief.
 686 Each such dealer shall make, weekly, sworn statements of all his or her
 687 transactions under such license, describing the goods received and
 688 setting forth the name and residence and a description of the person
 689 from whom such goods were received, to the chief of police in the case
 690 of cities or boroughs and, in other cases, to the town clerk of the town
 691 in which such junk dealer resides, and shall keep all goods at least five
 692 days after the filing of such statement. Any person who wilfully
 693 engages in the business of a junk dealer, unless licensed in accordance
 694 with this section or after notice that such person's license has been
 695 suspended or revoked, shall be guilty of a class D felony.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	21-39
Sec. 3	<i>October 1, 2011</i>	21-40
Sec. 4	<i>October 1, 2011</i>	21-41
Sec. 5	<i>October 1, 2011</i>	21-42
Sec. 6	<i>October 1, 2011</i>	21-43
Sec. 7	<i>October 1, 2011</i>	21-45
Sec. 8	<i>October 1, 2011</i>	21-46a
Sec. 9	<i>October 1, 2011</i>	21-47
Sec. 10	<i>October 1, 2011</i>	New section
Sec. 11	<i>October 1, 2011</i>	New section
Sec. 12	<i>October 1, 2011</i>	21-100
Sec. 13	<i>October 1, 2011</i>	21-9
Sec. 14	<i>October 1, 2011</i>	21-11

Statement of Purpose:

To change the laws regulating pawnbrokers and dealers in precious metal and stones.

[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.]

Co-Sponsors: REP. NAFIS, 27th Dist.; SEN. DOYLE, 9th Dist.
REP. DARGAN, 115th Dist.; REP. FRITZ, 90th Dist.

H.B. 5795