
OLR Bill Analysis

sHB 5390

AN ACT CONCERNING PRECIOUS METALS OR STONES DEALERS.

SUMMARY:

This bill creates additional requirements for precious metals or stones dealers (dealers) for (1) seller identification, (2) record-keeping, (3) weekly reports, and (4) property sales. Violators of the bill are subject to a fine of up to \$1,000.

By law, a "precious metals or stones dealer" is anyone who:

1. is primarily engaged in the business of purchasing gold or gold-plated ware, silver or silver-plated ware, platinum ware, watches, jewelry, precious stones, bullion, or coins and
2. must be licensed by a city or town's police chief or, for any city or town that does not have an organized local police department, the emergency services and public protection commissioner.

The bill also makes other technical and conforming changes.

EFFECTIVE DATE: October 1, 2012

SELLER IDENTIFICATION

Under current law, a dealer is required to demand positive identification from anyone selling property. The bill instead specifies that dealers must obtain proof of identity. It requires the identification to include a photograph; an address, if available on the identification; and an identifying number, including date of birth.

Dealers do not need to collect identification from a wholesaler, who is anyone engaged in the business of selling tangible personal property to be resold at retail or raw materials to be manufactured into suitable

forms for use by consumers.

RECORD-KEEPING SYSTEM

Under current law, dealers are required to keep a record noting the time of each transaction with a description of the (1) purchased property and the price paid, (2) name and address of the person selling the goods, and (3) date and hour the property was purchased. Dealers must note the type or form of identification in the record.

The bill expands the record-keeping requirement. It requires dealers to maintain a record-keeping system that the licensing authority deems appropriate. The entries must be entered in English at the time of purchase and be consecutively numbered. The system must also include: (1) a description of the property; (2) the name, home address, proof of identity, and general description of the person selling the property; (3) the date and hour when the property was purchased; and (4) a digital photograph for any item without identifiable numbers or markings. The records must be maintained for at least two years.

Property Description

Under the bill, the record's property description must include:

1. all distinguishing marks, engravings, and etchings;
2. names of any kind, including brand and model;
3. model and serial numbers;
4. affiliation with any institution or organization;
5. dates;
6. initials;
7. color;
8. vintage; and
9. image represented.

The licensing authority may exempt or establish additional or different description requirements depending on the nature of the property, transaction, or business, including articles sold in bulk lots or with minimal value.

Digital Photographs

The bill requires a digital photograph of property that does not have any identifiable numbers or markings. A number corresponding to the property's entry in the record-keeping system must be visible in the photograph and remain attached to the property until its disposition or sale.

Police Examination

By law, any state or municipal police officer may access the record and inspect the place of business, including any property purchased or received. Under the bill, these police officers may require any employee on the premises to provide proof of his or her identity.

PAYMENT

By law, dealers may pay for received property only by check or money order. The bill requires dealers who pay by check to retain the electronic copy of any check or other record issued by the financial institution that processes it. The copy is subject to inspection as part of the dealer's record-keeping system. Dealers must indicate the number or numbers associated with the property in the record-keeping system on the checks or money orders.

Existing law bars dealers from paying cash or cashing checks or money orders. A violation is a class A misdemeanor, which is punishable by up to a \$2,000 fine, up to one year's imprisonment, or both.

WEEKLY REPORT

Under current law, at the request of the licensing authority, dealers must submit a weekly sworn statement describing the property purchased, including the seller's name and address.

The bill expands the reporting requirements by requiring dealers to submit electronic weekly sworn statements of their transactions to the licensing authority. The report is a sworn statement of transactions describing the property purchased, including the nature and terms of the transaction and the name, home address, and description of the person from whom the property was purchased. The bill allows the licensing authority to (1) prescribe the report's electronic format and (2) grant exemptions for good cause. As under current law, the sworn statements are not public records for Freedom of Information Act purposes.

SALE OF PROPERTY

The bill prohibits dealers from selling or disposing of property acquired in any transactions within 10 days after submitting the weekly report. If the property is sold outside the retail premises, the dealer must, upon sale or disposition, record it in the record-keeping system.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/15/2012)