

February 28, 2013

Public Safety and Security Committee
Room 3600, Legislative Office Building
Hartford, CT 06106

Members of the Public Safety and Security Committee,

I submit this testimony as a precious metals dealer. I have been a precious metals dealer in New Haven, Connecticut for over 15 years, and ask that you **support Raised Bill 928: An Act Concerning Precious Metals or Stone Dealers.**

As you will recall, this bill is a continuation of our effort over the past few years to pass a law to regulate pawnbrokers, second hand dealers and precious metals and stone dealers in our state. While pawnbrokers are regulated, we ask that you create separate laws/statutes to specifically govern those dealing with precious metals or stones.

If passed, S.B. 928 would 1) provide protection to the public; 2) regulate our industry; 3) provide protection to the dealers; and 4) aid police enforcement.

Protection for the Public: S.B. 928 would require dealers of precious metals and stones to retain the photo of items and identity of any and all individuals from whom they purchase property. It further requires the dealers to keep a detailed record of all the property purchased for at least two years. These requirements provide two protections to the public. First, requiring the photo of any items purchased and a record of the identity of the seller of these goods will, one hopes, deter criminals from selling stolen property. Second, the record would provide law enforcement to identify stolen property and provide a lead to the perpetrator who sold the item(s) to the dealer.

Regulate our Industry: In addition to the above requirements for identifying whom the dealer purchased property and maintaining a record of all property purchased, S.B. 928 also requires the dealers to submit a weekly affidavit to the licensing authority concerning all of his or her transactions. Such requirement will force the dealers to keep better records.

Protection to the Dealers: S.B. 928 also provides some protection for the dealers, as well. Section 1(m) provides protection to the dealer if property is shown to have been stolen from the rightful owner, in spite of careful steps taken by the dealer to avoid such incidents. Subsection m provides a mechanism by which the dealer would be able to either have the property returned to them or have the court order restitution to the dealer by anyone convicted of obtaining the property illegally.

Aid Police Enforcement: Finally, S.B. 928 also requires dealers to retain the property for ten business days from the date of the transaction before selling or disposing. Currently, it is left up to each municipality to pass regulations as to the holding period for precious metals and stones. Each city and town is different, and they range from a **zero** day holding period to twenty one days. Not only is the varying significant, but a number of dealers located in areas with holding periods do not abide by them and sell and/or dispose of the property within the restricted period. A statewide holding period is needed. Without a holding period, dealers may send the precious metals to be melted down and can thereby destroy the evidence needed by the police force. S.B. 928 aids the local police by not only retaining the evidence, but providing a way by which they can stop into the dealers in the area and look through the records of property to identify not only the stolen property, but the identity of the individual who sold it to the dealer. Holding periods, overall, will not harm the dealers. While the price for precious metals does, indeed, fluctuate, the ebbs and flows in pricing level out over time.

The only issue I do not agree with is the second sentence in Subsection L, and I feel it should be removed prior to passage. “Upon the sale or disposition of such property, such licensee shall, if such property is not sold at retail at the place of business of such licensee, include a record of such sale or disposition in the record-keeping system required by this section.” Many Dealers in precious metals and Jewelry travel all over the country to Jewelry Shows and Auctions to sell product. It would be very difficult to then go back and enter every item sold and to whom in the original record. Jewelry Shows take place in all types of settings and it would be cumbersome to attempt to gather consumer’s personal information upon every transaction.

I urge the Committee, and the General Assembly as a whole, to create these overdue statutory revisions through the passage of S.B. 928.

Thank you for the opportunity to submit testimony for the record.

Sincerely,

Steven Goodman
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New Haven, CT