



General Assembly

January Session, 2013

***Raised Bill No. 928***

LCO No. 3410



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by:  
(PS)

***AN ACT CONCERNING PRECIOUS METALS OR STONE DEALERS.***

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

1 Section 1. Section 21-100 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) No person may engage in or carry on the business of purchasing  
4 gold or gold-plated ware, silver or silver-plated ware, platinum ware,  
5 watches, jewelry, precious stones, bullion or coins unless such person  
6 is licensed as a precious metals or stones dealer by the licensing  
7 authority of the municipality in which such person intends to carry on  
8 such business; except that the provisions of this subsection shall not  
9 apply to the purchase of such items from a wholesaler by a  
10 manufacturer or retail seller whose primary place of business is located  
11 in this state. Such person shall pay an annual fee of ten dollars for such  
12 license. The license may be revocable for cause, which shall include,  
13 but not be limited to, failure to comply with any requirements for  
14 licensure specified by the licensing authority at the time of issuance.  
15 The licensing authority shall refuse to issue a license under this  
16 subsection to a person who has been convicted of a felony and may

17 require any applicant for a license to submit to state and national  
18 criminal history records checks. If the licensing authority requires such  
19 criminal history records checks, such checks shall be conducted in  
20 accordance with section 29-17a. For the purposes of this subsection  
21 "wholesaler" means a person in the business of selling tangible  
22 personal property to be resold at retail or raw materials to be  
23 manufactured into suitable forms for use by consumers.

24 (b) Any person who wilfully engages in the business of a precious  
25 metals or stones dealer unless licensed in accordance with this section  
26 or after notice that such person's license has been suspended or  
27 revoked shall be guilty of a class D felony.

28 (c) No licensee shall purchase gold or gold-plated ware, silver or  
29 silver-plated ware, platinum ware, watches, jewelry, precious stones,  
30 bullion or coins without receiving proof of the identity of the person  
31 selling the property if such person is not a wholesaler. Such  
32 identification shall include a photograph, an address, if available on  
33 the identification, and an identifying number, including, but not  
34 limited to, date of birth.

35 [(c) Each such licensee shall keep a record in which such licensee  
36 shall note at the time of each transaction a description of the property  
37 purchased and the price paid for them, the name and address of the  
38 person selling the goods and the date and hour any such property was  
39 received. Each such licensee shall demand positive identification from  
40 the person selling the article and the type or form of identification  
41 received shall be noted in the record.]

42 (d) Each licensee shall maintain a record-keeping system in which  
43 shall be entered in English, at the time the licensee purchases any  
44 property, a description of the property and the name, the residence  
45 address, the proof of identity as required by this section and a general  
46 description of the person from whom, and the date and hour when, the  
47 property was purchased and in which, if the property does not contain

48 any identifiable numbers or markings, shall be included a digital  
49 photograph of such property. Each entry in such record-keeping  
50 system shall be numbered consecutively. Such number shall be visible  
51 in the digital photograph required by this subsection and shall be  
52 retained with the property purchased or received until the sale or other  
53 disposition of the property. Any state police officer or municipal police  
54 officer shall have access to the record required to be kept under this  
55 section and may inspect the place where the business is carried on as  
56 well as any [goods] property purchased or received. Any state police  
57 officer or municipal police officer who performs such an examination  
58 may require any employee on the premises to provide proof of such  
59 employee's identity. All records maintained pursuant to this section  
60 shall be retained by the licensee for not less than two years. The  
61 licensee shall maintain a place of business within this state, at which  
62 the [goods] property purchased or received and the required records  
63 shall be available for such inspection.

64 (e) Except as provided in subsection (f) of this section, the  
65 description of any property purchased by a licensee under this section  
66 shall include, but not be limited to, all distinguishing marks, names of  
67 any kind, including brand and model names, model and serial  
68 numbers, engravings, etchings, affiliation with any institution or  
69 organization, dates, initials, color, vintage or image represented.

70 (f) The licensing authority may provide for an exemption from the  
71 requirements of subsections (d) and (e) of this section, or establish  
72 additional or different requirements concerning the description of any  
73 property purchased by a licensee, upon consideration of the nature of  
74 the property, transaction or business, including, but not limited to,  
75 articles in bulk lots or articles of minimal value.

76 ~~[(d)]~~ (g) No licensee may purchase any property from a minor  
77 unless such minor is accompanied by a parent or guardian.

78 ~~[(e)]~~ (h) Each such licensee may only pay for property received by

79 check or money order and no cash shall be transferred to either party  
80 in the course of a transaction subject to the provisions of this section.  
81 The licensee shall retain the electronic copy of such check or other  
82 record issued by the financial institution that processed such check,  
83 and such copy or record shall be subject to inspection in accordance  
84 with this section as part of the record-keeping system. The licensee  
85 shall indicate on each such instrument the number or numbers  
86 associated with such property in the record-keeping system required  
87 to be maintained pursuant to this section. Any licensee who pays cash  
88 or cashes a check or money order shall be guilty of a class A  
89 misdemeanor. No licensee may advertise that he or she will pay for  
90 property received with cash.

91 [(f)] (i) Any precious metals or stones dealer who was licensed in  
92 any city or town as a pawnbroker pursuant to section 21-40 on March  
93 31, 2011, and who continues to hold such license, may pay for property  
94 received pursuant to a precious metals or stones dealer license issued  
95 in accordance with this section in the manner authorized under section  
96 21-42 until July 1, 2021, provided such precious metals or stones dealer  
97 complies with all other provisions of this section relating to precious  
98 metals or stones dealers.

99 [(g)] (j) At the time of making any purchase each licensee shall  
100 deliver to the person selling property a receipt containing the  
101 information required to be recorded in subsection [(c)] (d) of this  
102 section, the amount paid for any property sold and the name and  
103 address of the purchaser.

104 [(h)] Upon request of the licensing authority each such licensee shall  
105 make a weekly sworn statement, describing the goods received and  
106 setting forth the name and address of each person from whom goods  
107 were purchased, to the licensing authority of each municipality in  
108 which the licensee transacted business that week.]

109 (k) Each licensee shall submit to the licensing authority, on a weekly

110 basis or more frequently at the option of the licensee, a sworn  
111 statement of his or her transactions, describing the property purchased  
112 and setting forth the nature and terms of the transaction and the name  
113 and residence address and a description of the person from whom the  
114 property was purchased. Such statement shall be in an electronic  
115 format prescribed by the licensing authority. The licensing authority  
116 may grant exemptions from the requirement of submitting such  
117 statements in an electronic format for good cause shown. Such sworn  
118 statement shall not be deemed a public record for the purposes of the  
119 Freedom of Information Act, as defined in section 1-200.

120 (l) No licensee shall sell or dispose of any property acquired in any  
121 transaction in the course of business in less than ten days after the date  
122 of the submission of the statement concerning such transaction in  
123 accordance with subsection (k) of this section. Upon the sale or  
124 disposition of such property, such licensee shall, if such property is not  
125 sold at retail at the place of business of such licensee, include a record  
126 of such sale or disposition in the record-keeping system required by  
127 this section.

128 (m) Whenever property is seized from the place of business of a  
129 precious metals or stones dealer by a law enforcement officer, the  
130 officer shall give the dealer a duly signed receipt for the property  
131 containing a case number, a description of the property, the reason for  
132 the seizure, the name and address of the officer, the name and address  
133 of the person claiming a right to the property prior to the dealer and  
134 the name of the dealer. If the dealer claims an ownership interest in  
135 such property, the dealer may request the return of such property by  
136 filing a request for such property with the law enforcement agency in  
137 accordance with the provisions of section 54-36a. If the seller of any  
138 property purchased by the dealer is convicted of any offense arising  
139 out of the dealer's acquisition of the property and the dealer suffered  
140 an economic loss as a result of such offense, the court may, at the time  
141 of sentencing, order restitution to the dealer pursuant to subsection (c)  
142 of section 53a-28, which order may be enforced in accordance with

143 section 53a-28a.

144 [(i)] (n) Any person who violates any provision of this section, for  
145 which no other penalty is provided, shall be fined not more than one  
146 thousand dollars.

147 Sec. 2. Section 21-46a of the general statutes is repealed and the  
148 following is substituted in lieu thereof (*Effective October 1, 2013*):

149 Whenever property is seized from the place of business of a  
150 pawnbroker [or precious metals or stones dealer] by a law enforcement  
151 officer, such officer shall give the pawnbroker [or precious metals or  
152 stones dealer] a duly signed receipt for the property containing a case  
153 number, a description of the property, the reason for the seizure, the  
154 name and address of the officer, the name and address of the person  
155 claiming a right to the property prior to the pawnbroker [or precious  
156 metals or stones dealer] and the name of the pawnbroker. [or precious  
157 metals or stones dealer.] If the pawnbroker [or precious metals or  
158 stones dealer] claims an ownership interest in such property, he or she  
159 may request the return of such property by filing a request for such  
160 property with the law enforcement agency in accordance with the  
161 provisions of section 54-36a. If the person who deposited, pledged or  
162 sold any property received by a pawnbroker [or dealer] is convicted of  
163 any offense arising out of such pawnbroker's [or dealer's] acquisition,  
164 retention or disposition of the property and such pawnbroker [or  
165 dealer] suffered an economic loss as a result of such offense, the court,  
166 at the time of sentencing, may order restitution to such pawnbroker [or  
167 dealer] pursuant to subsection (c) of section 53a-28 and such order may  
168 be enforced in accordance with section 53a-28a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	21-100
Sec. 2	<i>October 1, 2013</i>	21-46a

***Statement of Purpose:***

To require precious metals or stones dealers to provide a periodic statement of transactions in an electronic format to the local licensing authority and retain any goods purchased for at least ten days, and to make the requirements applicable to precious metals or stones dealers similar to those applicable to secondhand dealers.

*[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.]*