OLR Bill Analysis
HB 6564

AN ACT CONCERNING SECONDHAND DEALERS, PRECIOUS METALS OR STONES DEALERS AND PAWN BROKERS.

SUMMARY

This bill allows additional secondhand dealers and precious metals or stones dealers who are also licensed pawnbrokers to pay for property in the same way as pawnbrokers (e.g., cashing a check). It does this by eliminating current law’s requirement that the dealer be a licensed pawnbroker before March 31, 2011. It also eliminates the sunset date of July 1, 2021, allowing qualified dealers to continue to pay in this method. But for this exception, secondhand dealers and precious metals dealers may not pay cash for property or cash other instruments (CGS §§ 21-47e(e) & -100(h)).

By law, pawnbrokers may pay for property by check, draft, or money order and may not pay cash, but can cash these instruments (i.e., checks, drafts, or money orders) for the person who is selling the property. They are prohibited from cashing more than $1,000 and from structuring transactions to avoid this prohibition.

The bill also increases the timeframe, from five to 10 days after the transaction, a precious metals or stones dealer must hold property, other than bullion or coins. As under current law, dealers are generally prohibited from selling or disposing of this property during this time, although the licensing authority may grant exemptions for good cause.

EFFECTIVE DATE: July 1, 2021

COMMITTEE ACTION

Judiciary Committee
Joint Favorable
Yea 28  Nay 7  (04/09/2021)