

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-68—HB 6564

Judiciary Committee

AN ACT CONCERNING SECONDHAND DEALERS, PRECIOUS METALS OR STONES DEALERS AND PAWNBROKERS

SUMMARY: Under prior law, secondhand dealers and precious metals or stones dealers who were licensed as pawnbrokers on March 31, 2011, and continued to hold these licenses could pay for property received in the same manner as pawnbrokers (e.g., by cashing a check they issued) until July 1, 2021. This act eliminates the sunset date for this authorization and expands it to cover any such dealers licensed as pawnbrokers.

By law, pawnbrokers, secondhand dealers, and precious metals or stones dealers may pay for property by check or money order, but not cash. (Pawnbrokers may also pay by bank draft.) Pawnbrokers, however, may cash any instrument they issue to a person selling the property (CGS § 21-42). They (1) must require proof of identity of the person presenting the check, draft, or money order and (2) are prohibited from cashing more than \$1,000 and from structuring transactions to avoid this prohibition. Except as described above, secondhand dealers and precious metals dealers may not cash any instrument they issue (CGS §§ 21-47e(e) & -100(h)).

The act also increases the timeframe, from five to 10 days after the transaction, for which a precious metals or stones dealer must hold property, other than bullion or coins, before selling or disposing of it. As under prior law, the licensing authority may grant exemptions for good cause.

EFFECTIVE DATE: July 1, 2021