

HOUSE BILL No. 4128

February 17, 1987, Introduced by Reps. Brotherton, Law, Martin, Strand, Emmons, Willis Bullard, Munsell, Miller, Gubow, DeLange, Sparks, Hoekman, Weeks, Bennett, Allen, Nye and Dunaskiss and referred to the Committee on State Affairs.

A bill to amend sections 2 and 4 of Act No. 95 of the Public Acts of 1981, entitled
"The precious metal and gem dealer act,"
being sections 445.482 and 445.484 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2 and 4 of Act No. 95 of the Public
2 Acts of 1981, being sections 445.482 and 445.484 of the Michigan
3 Compiled Laws, are amended to read as follows:

4 Sec. 2. As used in this act:

5 (a) "Agent or employee" means a person who, for compensation
6 or valuable consideration, is employed either directly or indi-
7 rectly by a dealer.

8 (b) "Dealer" means any person, corporation, partnership, or
9 association, which, in whole or in part, engages in the ordinary

1 course of repeated and recurrent transactions of buying or
2 receiving precious items from the public within this state.

3 (c) "Gold" means elemental gold having an atomic weight of
4 196.967 and the chemical element symbol of Au, whether found by
5 itself or in combination with its alloys or any other metal.

6 (d) "Jewelry" means an ornamental item made of a material
7 that includes a precious gem.

8 (E) "LOCAL GOVERNMENTAL UNIT" MEANS A CITY, VILLAGE, TOWN-
9 SHIP, OR COUNTY.

10 (F) ~~(e)~~ "Local police agency" means the police agency of
11 the city, village, or township, or if none, the county sheriff OF
12 THE COUNTY, IN WHICH THE DEALER CONDUCTS BUSINESS.

13 (G) ~~(f)~~ "Platinum" means elemental platinum having an
14 atomic weight of 195.09 and the chemical element symbol of Pt,
15 whether found by itself or in combination with its alloys or any
16 other metal.

17 (H) ~~(g)~~ "Precious gem" means a diamond, alexandrite, ruby,
18 sapphire, opal, amethyst, emerald, aquamarine, morganite, garnet,
19 jadeite, topaz, tourmaline, turquoise, or pearl.

20 (I) ~~(h)~~ "Precious item" means jewelry, a precious gem, or
21 an item containing gold, silver, or platinum. Precious item does
22 not include the following:

23 (i) Coins, commemorative medals, and tokens struck by, or in
24 behalf of, a government or private mint.

25 (ii) Bullion bars and discs of the type traded by banks and
26 commodity exchanges.

1 (iii) Items at the time they are purchased directly from a
2 dealer registered under this act, a manufacturer, or a wholesaler
3 who purchased them directly from a manufacturer.

4 (iv) Industrial machinery or equipment.

5 (v) An item being returned to or exchanged at the dealer
6 where the item was purchased and which is accompanied by a valid
7 sales receipt.

8 (vi) An item which is received for alteration, redesign, or
9 repair in a manner that does not substantially change its use and
10 returned directly to the customer.

11 (vii) An item which does not have a jeweler's identifying
12 mark or a serial mark and which the dealer purchases for less
13 than \$5.00.

14 (viii) Scrap metal which contains incidental traces of gold,
15 silver, or platinum which are recoverable as a by-product.

16 (ix) Jewelry which a customer trades for other jewelry
17 having a greater value, and which difference in value is paid by
18 the customer.

19 (j) "Silver" means elemental silver having an atomic weight
20 of 107.869 and the chemical element symbol of Ag, whether found
21 by itself or in combination with its alloys or any other metal.

22 Sec. 4. (1) A dealer shall maintain a permanent record of
23 each transaction, on record of transaction forms provided for in
24 subsection (6), legibly written in ink in the English language.
25 Each record of transaction form shall be filled out in triplicate
26 by the dealer or agent or employee of the dealer with 1 copy
27 going to the local police agency pursuant to subsection (3), 1

1 copy going to the customer, and 1 copy to be retained by the dealer pursuant to subsection (5). At the time a dealer receives or purchases a precious item, the dealer or the agent or employee of the dealer shall insure that the following information is recorded accurately on a record of transaction form:

(a) The dealer certificate of registration number.

(b) A general description of the precious item or precious items received or purchased, including its type of metal or precious gem. In the case of watches, the description shall contain the name of the maker and the number of both the works and the case. In the case of jewelry, all letters and marks inscribed on the jewelry shall be included in the description.

(c) The date of the transaction.

(d) The name of the person conducting the transaction.

(e) The name, date of birth, driver's license number or state of Michigan personal identification card number, and street and house number of the ~~person with whom the transaction is being made~~ CUSTOMER, together with a legible imprint of the right thumb of the ~~person with whom the transaction is made~~ CUSTOMER, or if that is not possible, ~~then~~ OF the left thumb or a finger of ~~that person~~ THE CUSTOMER. However, the thumbprint or fingerprint shall only be required on the record of transaction form retained by the dealer. The thumbprint or fingerprint shall be made available to the local police agency OR TO THE POLICE AGENCY OR SHERIFF'S DEPARTMENT OF THE LOCAL GOVERNMENTAL UNIT IN WHICH THE CUSTOMER RESIDES only during the course of a police investigation involving a precious item or items described

1 on the record of transaction. After a period of 1 year from the
2 date of the record of transaction, if a police investigation con-
3 cerning a precious item or items described on the record of
4 transaction has not occurred, the dealer and ~~local~~ ANY police
5 agency OR SHERIFF'S DEPARTMENT HOLDING A COPY OF THE RECORD OF
6 TRANSACTION shall destroy, and not keep a permanent record of,
7 the ~~records~~ RECORD of transaction. A dealer who goes out of
8 business or changes his or her business address to another local
9 jurisdiction either within or out of this state shall transmit
10 the records of all transactions made by the dealer within 1 year
11 before his or her closing or moving, to the local police agency.

12 (f) The price to be paid by the dealer for the precious item
13 or precious items.

14 (g) The form of payment made to the customer; check, money
15 order, bank draft, or cash. If the payment is by check, money
16 order, or bank draft, the dealer shall indicate the number of the
17 check, money order, or bank draft.

18 (h) The customer's signature.

19 (2) The record of each transaction shall be numbered consec-
20 utively, commencing with the number 1 and the calendar year.

21 (3) Within 48 hours after receiving or purchasing a precious
22 item, the dealer shall send a copy of the record of transaction
23 form to the local police agency. IF THE RECORD OF TRANSACTION
24 FORM INDICATES THAT THE CUSTOMER RESIDES OUTSIDE THE JURISDICTION
25 OF THE LOCAL POLICE AGENCY, WITHIN 48 HOURS AFTER RECEIVING THE
26 RECORD OF TRANSACTION FORM FROM THE DEALER, THE LOCAL POLICE
27 AGENCY SHALL FORWARD A COPY OF THE RECORD OF TRANSACTION FORM TO

1 THE POLICE AGENCY OR SHERIFF'S DEPARTMENT OF THE LOCAL
2 GOVERNMENTAL UNIT IN WHICH THE CUSTOMER RESIDES. The record of
3 transaction forms received by ~~the~~ A police agency OR SHERIFF'S
4 DEPARTMENT shall not be open to inspection by the general
5 public. Each ~~local police~~ POLICE agency OR SHERIFF'S DEPART-
6 MENT HOLDING RECORD OF TRANSACTION FORMS shall be responsible for
7 insuring the confidentiality of the record of transaction forms
8 and insuring that the record of transaction forms are used only
9 for the purpose for which they were received.

10 (4) The record of transaction forms of a dealer and each
11 precious item received shall be open to an inspection by the
12 county prosecuting attorney, THE local police agency, THE POLICE
13 AGENCY OR SHERIFF'S DEPARTMENT OF THE LOCAL GOVERNMENTAL UNIT IN
14 WHICH THE CUSTOMER RESIDES, and the Michigan state police, at all
15 times during the ordinary business hours of the dealer. As a
16 condition of doing business, a dealer is ~~deemed~~ CONSIDERED to
17 have given consent to the inspection prescribed by this
18 subsection. The record of transaction forms of a dealer shall
19 not be open to inspection by the general public.

20 (5) Except as otherwise provided in this section, each
21 record of a transaction shall be retained by the dealer for not
22 less than 1 year after the transaction to which the record
23 pertains.

24 (6) The form of the record of transaction shall have an
25 8-1/2 by 11 inch size and shall be as follows:

"Record of Transaction

1
2 Dealer Certificate # _____ # _____
3 (Printed on (Transaction number printed
4 the form) on the form)
5 (1) Description of Property - _____
6 _____
7 _____
8 _____
9 _____
10 (2) _____, 19____ (3) _____
11 (Date) (Name of Dealer/Employee)
12 (4) _____, 19____
13 (Name of Customer) (Date of Birth)
14 _____
15 (Driver's license No./ (Street Address)
16 Mich. Personal ID Number)
17 _____
18 (City & State) (Zip)
19 (5) _____
20 (Price Paid)
21 (6) _____
22 (Check no., bank draft
23 no., money order no., or
24 cash)
25 Thumbprint _____"
26 (Signature of Customer)

27 (7) AS USED IN THIS SECTION, "CUSTOMER" MEANS THE PERSON
28 WITH WHOM THE DEALER OR THE AGENT OR EMPLOYEE OF THE DEALER MAKES
29 THE TRANSACTION OF RECEIVING OR PURCHASING A PRECIOUS ITEM.