

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5958**

A bill to amend 1981 PA 95, entitled
"The precious metal and gem dealer act,"
by amending sections 2 and 3 (MCL 445.482 and 445.483), section 2
as amended by 1990 PA 34.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Agent or employee" means a person who, for compensation
3 or valuable consideration, is employed either directly or
4 indirectly by a dealer.

5 (b) "Dealer" means any person, corporation, partnership, or
6 association, which, in whole or in part, engages in the ordinary
7 course of repeated and recurrent transactions of buying or
8 receiving precious items from the public within this state.

9 (c) "Gold" means elemental gold having an atomic weight of

1 196.967 and the chemical element symbol of Au, whether found by
2 itself or in combination with its alloys or any other metal.

3 (D) "INTERNET DROP-OFF STORE" MEANS A PERSON, CORPORATION, OR
4 FIRM THAT CONTRACTS WITH OTHER PERSONS, CORPORATIONS, OR FIRMS TO
5 OFFER ITS PRECIOUS ITEMS FOR SALE, PURCHASE, CONSIGNMENT, OR TRADE
6 THROUGH MEANS OF AN INTERNET WEBSITE AND MEETS THE CONDITIONS
7 DESCRIBED IN SECTION 3(3).

8 (E) ~~(d)~~ "Jewelry" means an ornamental item made of a
9 material that includes a precious gem.

10 (F) ~~(e)~~ "Local governmental unit" means a city, village,
11 township, or county.

12 (G) ~~(f)~~ "Local police agency" means the police agency of the
13 city, village, or township, or if none, the county sheriff of the
14 county, in which the dealer OR INTERNET DROP-OFF STORE conducts
15 business.

16 (H) ~~(g)~~ "Platinum" means elemental platinum having an atomic
17 weight of 195.09 and the chemical element symbol of Pt, whether
18 found by itself or in combination with its alloys or any other
19 metal.

20 (I) ~~(h)~~ "Precious gem" means a diamond, alexandrite, ruby,
21 sapphire, opal, amethyst, emerald, aquamarine, morganite, garnet,
22 jadeite, topaz, tourmaline, turquoise, or pearl.

23 (J) ~~(i)~~ "Precious item" means jewelry, a precious gem, or an
24 item containing gold, silver, or platinum. Precious item does not
25 include the following:

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

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

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

6 (iv) Industrial machinery or equipment.

7 (v) An item being returned to or exchanged at the dealer where
8 the item was purchased and ~~which~~ **THAT** is accompanied by a valid
9 sales receipt.

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

13 (vii) An item which does not have a jeweler's identifying mark
14 or a serial mark and which the dealer purchases for less than
15 \$5.00.

16 (viii) Scrap metal which contains incidental traces of gold,
17 silver, or platinum ~~which~~ **THAT** are recoverable as a by-product.

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

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

25 Sec. 3. (1) A dealer shall not conduct business in a ~~city,~~
26 ~~village, or township~~ **LOCAL GOVERNMENTAL UNIT** in this state unless
27 the dealer has obtained a valid certificate of registration from

1 that local ~~city, village~~ GOVERNMENTAL UNIT or ~~township~~ LOCAL
2 police agency.

3 (2) THIS SECTION DOES NOT REQUIRE AN INTERNET DROP-OFF STORE
4 COMPLYING WITH SUBSECTION (3), OR A PERSON ENGAGED IN THE SALE,
5 PURCHASE, CONSIGNMENT, OR TRADE OF PRECIOUS ITEMS FOR HIMSELF OR
6 HERSELF, TO OBTAIN A REGISTRATION UNDER THIS ACT.

7 (3) AN INTERNET DROP-OFF STORE IN COMPLIANCE WITH THE
8 FOLLOWING CONDITIONS IS EXEMPT FROM REGISTRATION AS A DEALER UNDER
9 THIS ACT:

10 (A) HAS A FIXED PLACE OF BUSINESS WITHIN THIS STATE EXCEPT
11 THAT HE OR SHE EXCLUSIVELY TRANSACTS ALL PURCHASES OR SALES BY
12 MEANS OF THE INTERNET AND THE PURCHASES AND SALES ARE NOT
13 PHYSICALLY TRANSACTED ON THE PREMISES OF THAT FIXED PLACE OF
14 BUSINESS.

15 (B) HAS THE PERSONAL PROPERTY OR OTHER VALUABLE THING
16 AVAILABLE ON A WEBSITE FOR VIEWING BY PHOTOGRAPH, IF AVAILABLE, BY
17 THE GENERAL PUBLIC AT NO CHARGE, WHICH WEBSITE SHALL BE SEARCHABLE
18 BY ZIP CODE OR STATE, OR BOTH. THE WEBSITE VIEWING SHALL INCLUDE,
19 AS APPLICABLE, SERIAL NUMBER, MAKE, MODEL, AND OTHER UNIQUE
20 IDENTIFYING MARKS, NUMBERS, NAMES, OR LETTERS APPEARING ON THE
21 PERSONAL PROPERTY OR OTHER VALUABLE THING.

22 (C) MAINTAINS RECORDS OF THE SALE, PURCHASE, CONSIGNMENT, OR
23 TRADE OF THE PERSONAL PROPERTY OR OTHER VALUABLE THING FOR AT LEAST
24 2 YEARS, WHICH RECORDS SHALL CONTAIN A DESCRIPTION, INCLUDING A
25 PHOTOGRAPH, IF AVAILABLE, AND, IF APPLICABLE, SERIAL NUMBER, MAKE,
26 MODEL, AND OTHER UNIQUE IDENTIFYING MARKS, NUMBERS, NAMES, OR
27 LETTERS APPEARING ON THE PERSONAL PROPERTY OR OTHER VALUABLE THING.

1 (D) PROVIDE THE LOCAL POLICE AGENCY WITH ANY NAME UNDER WHICH
2 IT CONDUCTS BUSINESS ON THE WEBSITE AND ACCESS TO THE BUSINESS
3 PREMISES AT ANY TIME DURING NORMAL BUSINESS HOURS FOR PURPOSES OF
4 INSPECTION.

5 (E) WITHIN 24 HOURS AFTER A REQUEST FROM A LOCAL POLICE
6 AGENCY, PROVIDE AN ELECTRONIC COPY OF THE SELLER'S OR CONSIGNOR'S
7 NAME, ADDRESS, TELEPHONE NUMBER, DRIVER LICENSE NUMBER AND ISSUING
8 STATE, THE BUYER'S NAME AND ADDRESS IF APPLICABLE, AND A
9 DESCRIPTION OF THE PERSONAL PROPERTY OR OTHER VALUABLE THING AS
10 DESCRIBED IN SUBDIVISION (C). THE PROVISION OF INFORMATION SHALL BE
11 IN A FORMAT ACCEPTABLE TO THE LOCAL POLICE AGENCY BUT SHALL AT
12 LEAST BE IN A LEGIBLE FORMAT AND IN THE ENGLISH LANGUAGE.

13 (F) PROVIDE THAT PAYMENT FOR THE PERSONAL PROPERTY OR OTHER
14 VALUABLE THING IS EXECUTED BY MEANS OF CHECK OR OTHER ELECTRONIC
15 PAYMENT SYSTEM, SO LONG AS THE PAYMENT IS NOT MADE IN CASH. NO
16 PAYMENT SHALL BE PROVIDED TO THE SELLER UNTIL THE ITEM IS SOLD.

17 (G) IMMEDIATELY REMOVE THE PERSONAL PROPERTY OR OTHER VALUABLE
18 THING FROM THE WEBSITE IF THE LOCAL POLICE AGENCY DETERMINES THAT
19 THE PERSONAL PROPERTY OR OTHER VALUABLE THING IS STOLEN.

20 (4) ~~—(2)—~~ A dealer shall apply to the local police agency for
21 a certificate of registration, and pay a fee not to exceed \$50.00
22 to cover the reasonable cost of processing and issuing the
23 certificate of registration, by disclosing the following
24 information:

25 (a) The name, address, and thumbprint of the applicant.

26 (b) The name and address under which the applicant does
27 business.

1 (c) The name, address, and thumbprint of all agents or
2 employees of the dealer. Within 24 hours after hiring a new
3 employee, the dealer shall forward to the local police agency the
4 name, address, and thumbprint of the new employee.

5 (5) ~~—(3)—~~ A dealer or an agent or employee of a dealer who is
6 convicted of a misdemeanor under this act or under section 535 of
7 ~~Act No. 328 of the Public Acts of 1931, as amended, being section~~
8 ~~750.535 of the Michigan Compiled Laws~~ **THE MICHIGAN PENAL CODE,**
9 **1931 PA 328, MCL 750.535,** shall not be permitted to operate as a
10 dealer within this state for a period of 1 year after conviction.

11 (6) ~~—(4)—~~ A dealer or an agent or employee of a dealer who is
12 convicted of a felony under this act or under section 535 of ~~Act~~
13 ~~No. 328 of the Public Acts of 1931, as amended,~~ **THE MICHIGAN PENAL**
14 **CODE, 1931 PA 328, MCL 750.535,** shall not be permitted to operate
15 as a dealer within this state for a period of 5 years after the
16 conviction.

17 (7) ~~—(5)—~~ This act shall not be construed to excuse a dealer
18 from complying with the local zoning ordinance or any local
19 ordinance regulating commercial activities. However, a local
20 government may not pass an ordinance, or enforce an existing
21 ordinance, that provides additional standards which must be met
22 before the issuance of a certificate of registration.

23 (8) ~~—(6)—~~ Upon receipt of the application described in
24 subsection ~~—(2)—~~ (4), the local police agency shall issue a
25 certificate of registration in accordance with this section.

26 (9) ~~—(7)—~~ Upon receipt of the certificate of registration from
27 the local police agency, the dealer shall post it in a conspicuous

1 place in the dealer's place of business.

2 (10) ~~(8)~~ Not less than 10 days before a dealer changes the
3 name or address under which the dealer does business, the dealer
4 shall notify the local police agency of the change.

5 Enacting section 1. This amendatory act does not take effect
6 unless all of the following bills of the 93rd Legislature are
7 enacted into law:

8 (a) House Bill No. 5955.

9 (b) House Bill No. 5956.

10 (c) House Bill No. 5957.