
HOUSE BILL No. 1498

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-4-13; IC 25-37.5-1-0.1.

Synopsis: Precious metal dealers. Regulates precious metal dealers who engage in the business of purchasing: (1) used jewelry; and (2) other used articles of personal property; that are made of gold, silver, or platinum and were previously purchased at retail, acquired by gift, or obtained in some other fashion by a consumer for the purpose of reselling the precious metal in any form. Provides that the law concerning precious metal dealers applies to precious metal used by a customer as a trade-in toward the purchase of a new piece of jewelry or another new article made of gold, silver, or platinum. Requires a precious metal dealer to verify the identity of a person from whom precious metal is purchased by use of a government issued photographic identification. Requires a precious metal dealer to take and retain a photograph of: (1) a person from whom the precious metal dealer purchases precious metal; and (2) the precious metal. Specifies certain information about the seller of precious metal that a precious metal dealer must include on a bill of sale for the purchase of the precious metal. Requires a precious metal dealer to report a description of all precious metal purchased by the precious metal dealer each day to the appropriate local law enforcement agency. Requires a precious metal dealer to hold precious metal for at least seven business days after the date the precious metal is purchased. Provides that during the seven day period the precious metal dealer: (1) may not change the form of the precious metal; and (2) must allow a law enforcement officer to inspect the precious metal. Specifies that the law concerning: (1) precious metal dealers does not apply to licensed pawnbrokers; and (2) the purchase of valuable metals does not apply to precious metal dealers.

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Effective: July 1, 2011.

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January 20, 2011, read first time and referred to Committee on Commerce, Small Business and Economic Development.



First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1498



A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-4-13-0.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 0.5. This chapter does not apply to a pawnbroker**
4 **licensed under IC 28-7-5.**

5 SECTION 2. IC 24-4-13-1 IS AMENDED TO READ AS
6 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 1. **For purposes of The**
7 **following definitions apply throughout** this chapter:

8 (1) "Jewelry" means personal ornaments made of ~~precious metals~~
9 **gold, silver, or platinum** that may or may not contain precious,
10 semiprecious, or imitation stones.

11 (2) "Used jewelry" means jewelry previously purchased at retail,
12 acquired by gift, or obtained in some other fashion by a consumer.
13 that is later sold to a jeweler by a consumer or a person who has
14 acquired jewelry from a consumer;

15 (3) "jeweler" means a person engaged in the purchase and resale
16 of jewelry;

17 (4) (3) "Person" means an individual, a firm, an association, a



1 limited liability company, a partnership, a joint stock association,
2 a trust, or a corporation. ~~and~~

3 **(4) "Precious metal" means:**

4 **(A) used jewelry; and**

5 **(B) other used articles of personal property that:**

6 **(i) are made of gold, silver, or platinum; and**

7 **(ii) were previously purchased at retail, acquired by gift,**
8 **or obtained in some other fashion by a consumer.**

9 **The term does not include coins purchased for their**
10 **numismatic value rather than their metal content or ingots or**
11 **other industrial residue or byproducts that contain gold,**
12 **silver, or platinum purchased from manufacturing firms.**

13 **(5) "Precious metal dealer" means a person who engages in**
14 **the business of purchasing precious metal for the purpose of**
15 **reselling the precious metal in any form.**

16 ~~(5) (6) "Seller" means a consumer or other person who sells used~~
17 ~~jewelry precious metal to a jeweler.~~ **precious metal dealer.**

18 SECTION 3. IC 24-4-13-2 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. A ~~jeweler~~ **precious**
20 **metal dealer** who purchases or resells ~~used jewelry~~ **precious metal**
21 must comply with this chapter. ~~However,~~ This chapter ~~does not apply~~
22 **applies to jewelry precious metal** used by a customer as a trade-in
23 toward the purchase of a new piece of jewelry **or another new article**
24 **made of gold, silver, or platinum.**

25 SECTION 4. IC 24-4-13-2.5 IS ADDED TO THE INDIANA CODE
26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
27 1, 2011]: Sec. 2.5. (a) **If a precious metal dealer purchases precious**
28 **metal from a person, the precious metal dealer shall:**

29 **(1) verify the identity of the person by use of a government**
30 **issued photographic identification;**

31 **(2) make a copy of the person's government issued**
32 **photographic identification; and**

33 **(3) take a photograph of the:**

34 **(A) person; and**

35 **(B) precious metal.**

36 **(b) A precious metal dealer shall retain a copy of:**

37 **(1) the government issued photographic identification; and**

38 **(2) each photograph;**

39 **described in subsection (a) as required in section 3(e) of this**
40 **chapter.**

41 SECTION 5. IC 24-4-13-3 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 3. (a) A ~~jeweler~~

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1 **precious metal dealer** shall keep and use in the ~~jeweler's~~ **precious**
 2 **metal dealer's** business the books, accounts, and records necessary to
 3 determine whether the ~~jeweler~~ **precious metal dealer** is complying
 4 with this chapter.

5 (b) A ~~jeweler~~ **precious metal dealer** shall preserve the books,
 6 accounts, and records, including cards used in the card system, for at
 7 least two (2) years after making the final entry on any purchase
 8 recorded.

9 (c) The ~~jeweler~~ **precious metal dealer** shall keep the books and
 10 records so that the business of purchasing for resale of ~~used jewelry~~
 11 **precious metal** may be readily separated and distinguished from any
 12 other business in which the ~~jeweler~~ **precious metal dealer** is engaged.

13 (d) If a ~~jeweler,~~ **precious metal dealer**, in the conduct of the
 14 business, purchases ~~an article of used jewelry~~ **precious metal** from a
 15 seller, the purchase shall be evidenced by a bill of sale properly signed
 16 by the seller **verifying the accuracy of the information in the bill of**
 17 **sale**. All bills of sale must be in duplicate and must list the following
 18 separate items:

19 (1) **The** date of sale.

20 **(2) The:**

21 **(A) name;**

22 **(B) address;**

23 **(C) date of birth; and**

24 **(D) driver's license number or Social Security number;**

25 **of the person from whom the precious metal was purchased.**

26 ~~(2)~~ **(3) The** amount of consideration **paid for the precious metal.**

27 ~~(3)~~ **(4) The** name of ~~jeweler:~~ **the precious metal dealer.**

28 ~~(4)~~ **(5) A** description of each article of ~~used jewelry~~ **precious**
 29 **metal** sold. However, if multiple articles of ~~used jewelry~~ **precious**

30 **metal** of a similar nature are delivered together in one (1)
 31 transaction, the description of the articles is adequate if the
 32 description contains the quantity of the articles delivered and a
 33 physical description of the type of articles delivered, including
 34 any unique identifying marks, numbers, names, letters, or special
 35 features.

36 ~~(5)~~ **Signature of seller.**

37 ~~(6)~~ **Address of seller.**

38 ~~(7)~~ **Date of birth of the seller.**

39 ~~(8)~~ **(6) The** type of government issued identification used to verify
 40 the identity of the seller **under section 2.5 of this chapter,**
 41 together with the name of the governmental agency that issued the
 42 identification and the identification number present on the

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government issued identification.

(e) **If a precious metal dealer purchases precious metal, the precious metal dealer shall retain as part of the books, accounts, and records kept by the precious metal dealer under this section:**

(1) the original copy of the bill of sale ~~shall be retained by the jeweler.~~ **described in subsection (d); and**

(2) **the:**

(A) **copy of the seller's government issued photographic identification; and**

(B) **photographs of the seller and the precious metal; obtained by the precious metal dealer as required under section 2.5 of this chapter.**

The second copy of the bill of sale shall be delivered to the seller by the ~~jeweler~~ **precious metal dealer** at the time of sale.

(f) The heading on all bill of sale forms must be in boldface type.

SECTION 6. IC 24-4-13-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 3.5. (a) Each day a precious metal dealer purchases precious metal or obtains precious metal as part of a trade-in, the precious metal dealer shall report the information described in section 3(d) of this chapter concerning the precious metal to a law enforcement agency as follows:**

(1) **If the precious metal dealer is located in a municipality that maintains a law enforcement agency, the report required under this section shall be made to the law enforcement agency of the municipality.**

(2) **If the precious metal dealer is not located in a municipality that maintains a law enforcement agency, the report required under this section shall be made to the sheriff of the county in which the precious metal dealer is located.**

(b) **The information reported to a law enforcement agency under subsection (a) shall be submitted in an electronic format if requested by the law enforcement agency.**

SECTION 7. IC 24-4-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 4. (a) The ~~jeweler~~ precious metal dealer shall make the records and information under section 3 of this chapter available for examination upon the request of a law enforcement agency (as defined in ~~IC 5-2-5-1~~; IC 10-13-3-10).**

(b) The law enforcement agency under subsection (a) shall determine if:

(1) the records are sufficient; and

(2) the ~~jeweler~~ **precious metal dealer** has made the information

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reasonably available.
SECTION 8. IC 24-4-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 5. A ~~jeweler~~ **precious metal dealer** may not purchase ~~used jewelry~~ **precious metal**:

- (1) from an individual less than eighteen (18) years of age; or
- (2) that the ~~jeweler~~ **precious metal dealer** believes or should have reason to believe is stolen property acquired as a result of a crime.

SECTION 9. IC 24-4-13-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 5.5. (a) A precious metal dealer shall hold each article of precious metal purchased by the precious metal dealer for at least seven (7) business days after the date the precious metal dealer purchases the precious metal:**

- (1) at the precious metal dealer's regular place of business; and**
- (2) separate from other precious metal.**

(b) During the seven (7) business days during which a precious metal dealer must hold precious metal under subsection (a), the precious metal dealer:

- (1) may not change the form of the precious metal; and**
- (2) shall allow a law enforcement officer to inspect the precious metal.**

SECTION 10. IC 24-4-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) Records and information generated by a ~~jeweler~~ **precious metal dealer** in the course of business are confidential under IC 5-14-3-4.

(b) A law enforcement officer (as defined in IC 3-6-6-36(a)) may obtain or receive records and information described in subsection (a) relating to the purchase of ~~used jewelry~~ **precious metal** for use in investigating crime.

(c) Law enforcement officials may disclose the name and address of the ~~jeweler~~ **precious metal dealer** to an adverse claimant in the case of a dispute over ownership of property in possession of the ~~jeweler~~ **precious metal dealer**.

SECTION 11. IC 25-37.5-1-0.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 0.1. This chapter does not apply to the purchase of precious metal regulated under IC 24-4-13.**

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