
HOUSE BILL No. 1188

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-5-1-12; IC 24-4-13; IC 25-37.5-1-1.

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 a precious metal dealer may engage in the business of purchasing or reselling precious metal in Indiana only at a fixed premises: (1) owned; or (2) leased for a term of at least 12 months; by the precious metal dealer. Requires a precious metal dealer to register annually with the secretary of state and certain local law enforcement agencies before the precious metal dealer may engage in business in Indiana. 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 precious metal purchased by the dealer. 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 10 calendar days after the date the precious metal is purchased. Provides that during the 10 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
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Effective: January 1, 2014.

Dermody, Riecken

January 10, 2013, read first time and referred to Committee on Commerce, Small Business and Economic Development.



Digest Continued

that the law concerning: (1) precious metal dealers does not apply to licensed pawnbrokers or valuable metal dealers; and (2) valuable metal dealers does not apply to the purchase or resale of precious metal.

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Introduced

First Regular Session 118th General Assembly (2013)

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 2012 Regular Session of the General Assembly.

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HOUSE BILL No. 1188

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 4-5-1-12 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2014]: **Sec. 12. The secretary of state may adopt and**
4 **enforce rules under IC 4-22-2 necessary to carry out**
5 **IC 24-4-13-2.4(b) concerning precious metal dealer registration.**

6 SECTION 2. IC 24-4-13-0.5 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
8 JANUARY 1, 2014]: **Sec. 0.5. This chapter does not apply to the**
9 **following:**

- 10 (1) **A valuable metal dealer (as defined in IC 25-37.5-1-1(b)).**
- 11 (2) **A pawnbroker licensed under IC 28-7-5.**

12 SECTION 3. IC 24-4-13-1 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 1. **For purposes**
14 **of The following definitions apply throughout** this chapter:

- 15 (1) "Jewelry" means personal ornaments made of **precious metals**



1 **gold, silver, or platinum** that may or may not contain precious,
2 semiprecious, or imitation stones.

3 (2) "used jewelry" means jewelry previously purchased at retail,
4 acquired by gift, or obtained in some other fashion by a consumer
5 that is later sold to a jeweler by a consumer or a person who has
6 acquired jewelry from a consumer;

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

9 (2) "Permanent place of business" means a fixed premises:

10 (A) owned by a precious metal dealer; or

11 (B) leased by a precious metal dealer for a term of at least
12 twelve (12) months;

13 **at which the precious metal dealer purchases or resells**
14 **precious metal.**

15 (4) (3) "Person" means an individual, a firm, an association, a
16 limited liability company, a partnership, a joint stock association,
17 a trust, or a corporation. ~~and~~

18 (4) "Precious metal" means:

19 (A) used jewelry; and

20 (B) other used articles of personal property that:

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

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

24 The term does not include coins purchased for the coin's
25 numismatic value rather than the coin's metal content or
26 ingots or other industrial residue or byproducts that contain
27 gold, silver, or platinum purchased from manufacturing
28 firms.

29 (5) "Precious metal dealer" means a person who engages in
30 the business of purchasing precious metal for the purpose of
31 reselling the precious metal in any form.

32 (6) "Purchase" means to acquire property in exchange for
33 cash, credit, or other valuable consideration.

34 (5) (7) "Seller" means a consumer or other person who sells ~~used~~
35 ~~jewelry~~ **precious metal** to a ~~jeweler~~ **precious metal dealer**.

36 (8) "Used jewelry" means jewelry previously purchased at
37 retail, acquired by gift, or obtained in some other fashion by
38 a consumer.

39 SECTION 4. IC 24-4-13-2 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 2. A ~~jeweler~~
41 **precious metal dealer** who purchases or resells ~~used jewelry~~ **precious**
42 **metal** must comply with this chapter. However, this chapter does not

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1 apply to jewelry used by a customer as a trade-in toward the purchase
2 of a new piece of jewelry.

3 SECTION 5. IC 24-4-13-2.2 IS ADDED TO THE INDIANA CODE
4 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
5 **JANUARY 1, 2014]: Sec. 2.2. A precious metal dealer may engage**
6 **in the business of purchasing or reselling precious metal in Indiana**
7 **only at a permanent place of business owned or leased by the**
8 **precious metal dealer.**

9 SECTION 6. IC 24-4-13-2.4 IS ADDED TO THE INDIANA CODE
10 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**
11 **JANUARY 1, 2014]: Sec. 2.4. (a) A precious metal dealer must**
12 **satisfy the registration requirements described in subsections (b)**
13 **and (c) before the precious metal dealer may engage in the business**
14 **of purchasing or reselling precious metal at a permanent place of**
15 **business in Indiana.**

16 **(b) A precious metal dealer must submit a registration to the**
17 **secretary of state one (1) time every twelve (12) months that**
18 **includes the following:**

- 19 (1) **The name of the precious metal dealer.**
20 (2) **The addresses of all permanent places of business owned**
21 **or leased by the precious metal dealer in Indiana.**
22 (3) **Any other information required by the secretary of state.**
23 (4) **A registration fee of one hundred dollars (\$100).**

24 **(c) A precious metal dealer must submit a registration to a law**
25 **enforcement agency one (1) time every twelve (12) months for each**
26 **permanent place of business owned or leased by the precious metal**
27 **dealer in Indiana as follows:**

- 28 (1) **If the permanent place of business is located in a**
29 **municipality that maintains a law enforcement agency, the**
30 **registration shall be submitted to the law enforcement agency**
31 **of the municipality.**
32 (2) **If the permanent place of business is not located in a**
33 **municipality that maintains a law enforcement agency, the**
34 **registration shall be submitted to the sheriff of the county in**
35 **which the permanent place of business is located.**

36 **A registration submitted to a law enforcement agency under this**
37 **subsection must include the name of the precious metal dealer, the**
38 **address of the permanent place of business, any other information**
39 **required by the law enforcement agency, and a registration fee of**
40 **fifty dollars (\$50). However, if more than one (1) permanent place**
41 **of business is registered with the same law enforcement agency, the**
42 **precious metal dealer must pay a registration fee of fifty dollars**

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1 **(\$50) to register all the permanent places of business with the law**
 2 **enforcement agency.**

3 SECTION 7. IC 24-4-13-2.6 IS ADDED TO THE INDIANA CODE
 4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 5 JANUARY 1, 2014]: **Sec. 2.6. (a) If a precious metal dealer**
 6 **purchases precious metal from a seller, the precious metal dealer**
 7 **shall:**

8 **(1) verify the identity of the seller by use of a government**
 9 **issued photographic identification;**

10 **(2) make a copy of the seller's government issued**
 11 **photographic identification; and**

12 **(3) take a photograph of the precious metal.**

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

14 **(1) government issued photographic identification; and**

15 **(2) photograph;**

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

18 SECTION 8. IC 24-4-13-3 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: **Sec. 3. (a) A jeweler**
 20 **precious metal dealer shall keep and use in the jeweler's precious**
 21 **metal dealer's business the books, accounts, and records necessary to**
 22 **determine whether the jeweler precious metal dealer is complying**
 23 **with this chapter.**

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

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

32 **(d) If a jeweler, precious metal dealer, in the conduct of the**
 33 **business, purchases an article of used jewelry precious metal from a**
 34 **seller, the purchase shall be evidenced by a bill of sale properly signed**
 35 **by the seller verifying the accuracy of the information in the bill of**
 36 **sale. All bills of sale must be in duplicate and must list the following**
 37 **separate items:**

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

39 **(2) The:**

40 **(A) name;**

41 **(B) address;**

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

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1 **(D) driver's license number or Social Security number;**
 2 **of the seller from whom the precious metal was purchased.**

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

4 ~~(3) (4) The:~~

5 ~~(A) name of jeweler: the precious metal dealer; and~~

6 **(B) address of the permanent place of business where the**
 7 **purchase occurred.**

8 ~~(4) (5) A description of each article of used jewelry precious~~
 9 ~~metal sold. However, if multiple articles of used jewelry precious~~
 10 ~~metal of a similar nature are delivered together in one (1)~~
 11 ~~transaction, the description of the articles is adequate if the~~
 12 ~~description contains the quantity of the articles delivered and a~~
 13 ~~physical description of the type of articles delivered, including~~
 14 ~~any unique identifying marks, numbers, names, letters, or special~~
 15 ~~features.~~

16 ~~(5) Signature of seller.~~

17 ~~(6) Address of seller.~~

18 ~~(7) Date of birth of the seller.~~

19 ~~(8) (6) The type of government issued identification used to verify~~
 20 ~~the identity of the seller **under section 2.6 of this chapter,**~~
 21 ~~together with the name of the governmental agency that issued the~~
 22 ~~identification and the identification number present on the~~
 23 ~~government issued identification.~~

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

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

29 **(2) the:**

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

32 **(B) photograph of the precious metal;**

33 **obtained by the precious metal dealer as required under**
 34 **section 2.6 of this chapter.**

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

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

38 SECTION 9. IC 24-4-13-3.5 IS ADDED TO THE INDIANA CODE
 39 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 40 JANUARY 1, 2014]: **Sec. 3.5. (a) Each day a precious metal dealer**
 41 **purchases precious metal or obtains precious metal as part of a**
 42 **trade-in at a permanent place of business, the precious metal**

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1 dealer shall report the information described in section 3(d) of this
2 chapter concerning the precious metal to a law enforcement agency
3 as follows:

4 (1) If the permanent place of business is located in a
5 municipality that maintains a law enforcement agency, the
6 report required under this section shall be made to the law
7 enforcement agency of the municipality.

8 (2) If the permanent place of business is not located in a
9 municipality that maintains a law enforcement agency, the
10 report required under this section shall be made to the sheriff
11 of the county in which the permanent place of business is
12 located.

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

16 SECTION 10. IC 24-4-13-4 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 4. (a) The ~~jeweler~~
18 **precious metal dealer** shall make the records and information under
19 section 3 of this chapter available for examination upon the request of
20 a law enforcement agency (as defined in ~~IC 5-2-5-1~~; **IC 10-13-3-10**).

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

- 23 (1) the records are sufficient; and
- 24 (2) the ~~jeweler~~ **precious metal dealer** has made the information
25 reasonably available.

26 SECTION 11. IC 24-4-13-5 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 5. A ~~jeweler~~
28 **precious metal dealer** may not purchase ~~used jewelry~~; **precious**
29 **metal**:

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

34 SECTION 12. IC 24-4-13-5.5 IS ADDED TO THE INDIANA
35 CODE AS A NEW SECTION TO READ AS FOLLOWS
36 [EFFECTIVE JANUARY 1, 2014]: Sec. 5.5. (a) A **precious metal**
37 **dealer shall hold each article of precious metal purchased by the**
38 **precious metal dealer for at least ten (10) calendar days after the**
39 **date the precious metal dealer purchases the precious metal:**

- 40 (1) **at the precious metal dealer's permanent place of business**
41 **where the purchase occurred; and**
- 42 (2) **separate from other precious metal.**

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1 **(b) During the ten (10) calendar days that the precious metal**
 2 **dealer must hold precious metal under subsection (a), the precious**
 3 **metal dealer:**

4 **(1) may not change the form of the precious metal; and**

5 **(2) shall allow a law enforcement officer to inspect the**
 6 **precious metal.**

7 SECTION 13. IC 24-4-13-7 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2014]: Sec. 7. (a) Records and
 9 information generated by a ~~jeweler~~ **precious metal dealer** in the
 10 course of business are confidential under IC 5-14-3-4.

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

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

19 SECTION 14. IC 25-37.5-1-1, AS AMENDED BY P.L.158-2009,
 20 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JANUARY 1, 2014]: Sec. 1. (a) When used in this chapter, "valuable
 22 metal" means any product made of metal that readily may be resold.
 23 The term:

24 **(1) includes metal bossies and small component motor vehicle**
 25 **parts; The term and**

26 **(2) does not include the following:**

27 **(A) A beverage can.**

28 **(B) Precious metal regulated under IC 24-4-13.**

29 (b) As used in this chapter, "valuable metal dealer" means any
 30 individual, firm, corporation, limited liability company, or partnership
 31 engaged in the business of purchasing and reselling valuable metal
 32 either at a permanently established place of business or in connection
 33 with a business of an itinerant nature, including junk shops, junk yards,
 34 junk stores, auto wreckers, scrap metal dealers or processors, salvage
 35 yards, collectors of or dealers in junk, and junk cars or trucks. The term
 36 includes a core buyer. The term does not include a person who
 37 purchases a vehicle and obtains title to the vehicle.

38 (c) As used in this chapter, "purchase" means acquiring a valuable
 39 metal product for a consideration, but does not include purchases
 40 between scrap metal processing facilities (as defined in IC 8-23-1-36).

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