

1 **SENATE FLOOR VERSION**

2 February 19, 2015

3 SENATE BILL NO. 430

By: Brinkley of the Senate

4 and

5 Roberts (Sean) of the House

6
7
8 An Act relating to the Precious Metal and Gem Dealer
9 Licensing Act; amending 59 O.S. 2011, Sections 1530,
10 as amended by Section 3, Chapter 153, O.S.L. 2013,
11 and 1531, as amended by Section 4, Chapter 153,
12 O.S.L. 2013 (59 O.S. Supp. 2014, Sections 1530 and
13 1531), which relate to records and hold periods;
14 clarifying required description of items in
15 transaction; providing for violation; increasing hold
16 period; establishing procedures for law enforcement
17 hold orders on stolen or embezzled items; requiring
18 certain information to be on hold order; providing
19 certain notice; providing penalty for noncompliance
20 by dealer; and providing an effective date.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 59 O.S. 2011, Section 1530, as
23 amended by Section 3, Chapter 153, O.S.L. 2013 (59 O.S. Supp. 2014,
24 Section 1530), is amended to read as follows:

Section 1530. A. Every dealer shall keep a record of any
transaction with any person involving the purchasing of any used
item made, or containing in whole or in part, any precious metal, or

1 gem, ~~the~~. The following information shall be recorded for precious
2 metals or gems:

3 1. An account and detailed description or photograph of the
4 item purchased, including, if applicable, the manufacturer's name,
5 the model, the model number, the serial number and any engraved
6 marking;

7 2. The amount of money involved in the transaction;

8 3. The date;

9 4. The name, address and driver's license number of the person
10 involved in the transaction with the dealer; if the person has no
11 ~~driver's~~ driver license, then the date of birth and general physical
12 description, including hair color and approximate height and weight
13 of that person; and

14 5. The signature of the seller.

15 For purposes of describing the item or items in the transaction
16 pursuant to paragraph 1 of this subsection, it shall be a violation
17 for the dealer to state only the number of grams and type of
18 precious metal or type of gem as a description. The description
19 shall clearly and accurately describe each item containing any
20 precious metals or gems presented to the dealer for purposes of the
21 transaction.

22 B. The record required by this section shall be kept for a
23 period of four (4) years. Such record shall be made available
24 during regular business hours for inspection by the Department of

1 Consumer Credit and any law enforcement officer authorized by a law
2 enforcement agency to inspect such record.

3 C. No dealer shall be required to furnish the description of
4 any new property purchased from manufacturers or wholesale dealers
5 at an established place of business or of any goods purchased from
6 any bankrupt stock. Such goods shall be accompanied by a bill of
7 sale or other evidence of open and legitimate purchase. The bill of
8 sale shall also be available for inspection during regular business
9 hours.

10 D. No dealer shall be required to furnish a description of
11 property purchased from another licensed dealer or to meet the
12 holding period provided for in Section 1531 of this title if that
13 dealer has met the requirements provided for in subsection A of this
14 section and Section 1531 of this title upon the initial purchase of
15 the property; provided, that each shall record the license number
16 of the other dealer and the amount of the transaction.

17 SECTION 2. AMENDATORY 59 O.S. 2011, Section 1531, as
18 amended by Section 4, Chapter 153, O.S.L. 2013 (59 O.S. Supp. 2014,
19 Section 1531), is amended to read as follows:

20 Section 1531. A. Every dealer must keep at the business
21 location designated in the license application, all used articles
22 made, in whole or in part, of precious metals or gems, for
23 inspection by any law enforcement officer and the Department of
24 Consumer Credit at reasonable times for a period of ~~ten (10)~~

1 fourteen (14) days or until the articles have been released by
2 written authorization of any law enforcement officer authorized by
3 the law enforcement agency or its designee, except as provided for
4 in subsection C of Section 1525 of this title. During this period,
5 the appearance of such articles shall not be altered in any way. A
6 dealer is not prohibited from selling or arranging to sell such
7 articles during the ~~ten-day~~ fourteen-day period as long as such
8 articles remain in his or her possession as required by this
9 section.

10 B. Whenever a peace officer has probable cause to believe that
11 property in possession of a licensed dealer is stolen or embezzled,
12 the peace officer of the local law enforcement agency of the
13 municipality or other political subdivision in which the dealer is
14 located may place a written hold order on the property. The initial
15 term of the written hold order shall not exceed thirty (30) days.
16 However, the holding period may be extended in successive thirty
17 (30) day increments upon written notification prior to the
18 expiration of the initial holding period. If the holding period has
19 expired and has not been extended, the hold order shall be
20 considered expired and no longer in effect, and title shall vest in
21 the dealer subject to any restrictions contained in a sale contract.
22 The initial written hold order shall contain the following
23 information:

24 1. Signature of the dealer or designee;

1 2. Name, title and identification number of the peace officer
2 placing the hold order;

3 3. Name and address of the agency to which the peace officer is
4 attached and the offense number;

5 4. Complete description of the property to be held, including
6 model number, serial number and transaction number;

7 5. Name of agency reporting the property to be stolen or
8 embezzled;

9 6. Mailing address of the dealer where the property is held;
10 and

11 7. Expiration date of the holding period.

12 C. While a hold order is in effect, the dealer may consent to
13 release, upon written receipt, the stolen or embezzled property to
14 the custody of the local law enforcement agency to which the peace
15 officer placing the hold order is attached. The consent to release
16 the stolen or embezzled property to the custody of law enforcement
17 is not a waiver or release of the dealer's property rights or
18 interest in the property. Otherwise, the dealer shall not release
19 or dispose of the property except pursuant to a court order or the
20 expiration of the holding period including all extensions. The
21 district attorney's office shall notify the dealer in writing in
22 cases where criminal charges have been filed that the property may
23 be needed as evidence. The notice shall contain the case number,
24 the style of the case, and a description of the property. The

1 dealer shall hold such property until receiving notice of the
2 disposition of the case from the district attorney's office. The
3 district attorney's office shall notify the dealer in writing within
4 fifteen (15) days of the disposition of the case. Willful
5 noncompliance of a dealer to a written hold order shall be cause for
6 the dealer's license to either be suspended or revoked. A hold
7 order may be released prior to the expiration of any thirty-day
8 holding period by written release from the agency placing the
9 initial hold order.

10 D. Upon approval of the Administrator, a dealer may also
11 designate an additional location for storage of items required to be
12 held under the provisions of the Precious Metal and Gem Dealer
13 Industry Act. This location shall be either a vault or a bank. The
14 address of the designated additional location shall be filed with
15 the Administrator. The Administrator shall require documentation to
16 verify that the additional storage location will be utilized by the
17 dealer, including, but not limited to, a lease or rental agreement
18 between the dealer and the owner of the additional storage location.
19 The Administrator shall also require the name, contact person and
20 telephone number of the additional storage location. The
21 Administrator shall release the designated location only to law
22 enforcement agencies. The designated additional location shall be
23 available for inspection by the Department of Consumer Credit or any
24 law enforcement officer of this state authorized by the law

1 enforcement agency to inspect the same. A dealer shall provide
2 written notice to the Administrator at least thirty (30) days prior
3 to terminating a lease or rental agreement for an additional storage
4 location.

5 SECTION 3. This act shall become effective November 1, 2015.

6 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
7 February 19, 2015 - DO PASS
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