

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Garrett, Kennemer
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/6, 2/13

WHAT THE MEASURE DOES: Establishes record keeping requirements for precious material secondhand dealers to follow regarding transactions of items of precious material. Establishes exemptions from the measure’s provisions. Outlines required records that are to be kept, the duration and location that the required records are to be maintained, and the duration that an acquired item of precious material must be kept before the item can be disposed. Requires precious metal secondhand dealers to provide copies of records and the inspection of retained items of precious metal upon request by law enforcement officers. Establishes exemptions for city or county jurisdictions identified as having an ordinance that imposes substantially equal to or more stringent record keeping requirements and longer holding periods for items of precious materials. Establishes penalties for failure to comply with record keeping and holding period requirements.

ISSUES DISCUSSED:

- Examples of fraudulent activity in the sale of items of precious metal for cash
- Examples of businesses that would be regulated under the measure
- Whether the measure’s provisions pertain to out of state “cash for gold” buyers
- Level of work by stakeholders in developing the measure’s provisions

EFFECT OF COMMITTEE AMENDMENT: Modifies definition of “item of precious material” and “precious material secondhand dealer.” Clarifies exemptions. Clarifies sales transaction record items that must be maintained. Requires a precious metal secondhand dealer to provide copies of records and the inspection of retained items of precious metal upon request by law enforcement officers. Establishes that a temporary precious metal secondhand dealer is to retain items subject to retention at a location of the dealer’s choosing within Oregon. Requires a local jurisdiction to report to the Secretary of State when an ordinance that is substantially equal to or more stringent than the measure’s provisions is enacted, or any amendments or repeal of a current ordinance. Prohibits a local jurisdiction from requiring a precious metal secondhand dealer that is also an Oregon-licensed pawnbroker to provide a photograph of an item of precious metal acquired through a transaction.

BACKGROUND: House Bill 4108-A establishes procedures for precious material secondhand dealers to follow in regards to specific sales record information that must be obtained, such as a seller’s full name and current address and an identifying description or digital photograph of each item of precious metal that is subject to the transaction. Records from each sale must be maintained for at least one year after the transaction date, and each acquired item of precious metal must be retained for at least seven days after the transaction date before the dealer can dispose of the item. Violations are established as a Class C violation, or as a Class A violation for between three to six subsequent violations, and a fine of no less than \$5,000 per subsequent violation for more than six subsequent violations.

An “item of precious metal” consists of or incorporates gold in at least eight karat purity, silver, platinum, or palladium, and exempts specific items such as gold or silver coins or bullion, electronic products, or any part of a motor vehicle’s mechanical system. The measure exempts Oregon licensed pawnbrokers, a manufacturer of items of precious metal, persons engaged in commercial or industrial scrap metal recycling operations, a person primarily engaged in business through the Internet, a motor vehicle dealer or certified motor vehicle dismantler, and a person that is primarily engaged in purchasing for resale newly manufactured items of precious metal.

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This summary has not been adopted or officially endorsed by action of the committee.