

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact, no statement issued**

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	Boquist, Dingfelder, George, Shields
Nays:	0
Exc.:	Rosenbaum
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/22

WHAT THE MEASURE DOES: Establishes record keeping requirements that precious metal secondhand dealers must follow regarding transactions involving precious metal. Requires precious metal secondhand dealers to hold precious metal items for seven days before disposing of them. Requires dealers to make items and records available for inspection by law enforcement. Establishes exemptions for city or county jurisdictions identified as having an ordinance that imposes substantially equal or more stringent record keeping requirements and longer holding periods for items of precious materials. Requires Secretary of State to list on its website those cities or counties in which provisions do not apply. Establishes penalties for failure to comply with record keeping and holding period requirements.

ISSUES DISCUSSED:

- Providing a level playing field for businesses buying precious metal
- Jurisdictions with existing regulations on precious metal transactions
- Travelling businesses that buy precious metals
- Ability of police officers and crime victims to recover stolen goods

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 4108-A requires precious metal secondhand dealers to record sales information that includes information about the seller and an identifying description or digital photograph of each item in the transaction. Records of 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, manufacturers of items of precious metal, persons engaged in commercial or industrial scrap metal recycling operations, persons primarily engaged in business through the Internet, motor vehicle dealers and certified motor vehicle dismantlers, and persons primarily engaged in purchasing for resale newly manufactured items of precious metal.

Pawnbrokers, though exempt from House Bill 410-A, are subject to their own record keeping requirements (ORS Chapter 76). A pawnbroker must record the name and address of the pledgor and record the type and number of any proof of identification that the pledgor presents. A physical description of the pledgor must be recorded as well as an identifying description of the item pledged. The pawnbroker must deliver a copy of the records within three days of the transaction to the local police agency.

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