

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

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House Bill 4105 (as reported with amendment)  
Sponsor: Representative Jan Dolan  
House Committee: Judiciary  
Senate Committee: Criminal Justice and Urban Affairs

Date Completed: 2-23-90

**RATIONALE**

The Precious Metal and Gem Dealer Act was enacted in 1981 in an effort to stem activities in fencing stolen "precious items", that is, jewelry and other items made with precious metals. The Act requires dealers to maintain records of their purchases of precious items and report them to the police, so that a "paper trail" might be followed in case of theft. It also requires dealers to hold items for seven days so that evidence is not lost before police have a chance to investigate reports of stolen property.

Law enforcement agencies have suggested two ways in which the Act might be improved. Although a copy of the record of transaction form must be sent to the dealer's local police agency, there is no complementary requirement to send a copy to the customer's local law enforcement agency (the customer in this case being the person selling an item to the dealer). Thus, valuable information may not be made available to the police agency investigating a theft or series of thefts. Second, it has been pointed out that if the holding period were increased, additional time would be available to receive and respond to crime reports and dealer transaction records (the latter of which are sent through the mail). Some believe that amending the Act in these ways would enhance the investigative efforts of the police.

**CONTENT**

The bill would amend the Precious Metal and Gem Dealer Act to require dealers to fill out transaction forms in quadruplicate, rather than triplicate, and send one copy of the form to the police

agency or sheriff's department of the jurisdiction in which the customer resided; and to increase from seven days to nine days the period of time a dealer must retain a precious item after receiving it.

The Act currently requires a gem dealer to maintain a permanent record of each transaction on a "record of transaction form". One copy of the form goes to the customer, the dealer retains one copy, and, within 48 hours after receiving the precious item, the dealer must send a copy to the local police agency (the city, village, or township police agency, or the county sheriff). Under the bill, if the form indicated that the customer resided outside the jurisdiction of the local police agency, the dealer also would have to send a copy of the form to the police agency of the city, village, or township in which the customer resided or, if that municipality had no police agency, to the sheriff's department of the county in which the customer resided.

The bill would define "customer" as the person from whom the dealer or the dealer's agent or employee received or purchased a precious item.

The bill would take effect May 1, 1990.

MCL 445.482 et al.

**SENATE COMMITTEE ACTION**

The Senate Criminal Justice and Urban Affairs Committee adopted an amendment to the bill to provide that it would take effect May 1, 1990.

H.B. 4105 (2-23-90)

## **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on local government. The local unit of government is responsible for providing gem dealers with the forms for recording transactions they make. The cost of these forms is covered by gem dealer licensing fees provided to the appropriate local unit of government. It is anticipated that the additional costs to local units incurred from requiring the form to be filled out in quadruplicate would be met by revenue from licensing fees.

## **ARGUMENTS**

### **Supporting Argument**

While law enforcement agencies have found the Precious Metal and Gem Dealer Act useful in tracing burglars, the Act could be made more effective with a few simple changes. By requiring dealer purchases to be reported to a seller's local police as well as the dealer's local police, the bill would ensure that potentially useful information was sent to both the local agencies likely to be investigating thefts or fencing activities. The requirement would not be overly burdensome since it would only involve the making and sending of one more copy. By requiring dealers to hold received items for nine days instead of seven, the bill would give law enforcement agencies a significant amount of extra time to receive and respond to theft reports and dealer information. At present, the holding period of seven days can include two weekends, in effect reducing the time for routine responses to five working days.

### **Opposing Argument**

The bill would take a cumbersome requirement and make it more so. Rather than have gem dealer transaction records sent to various places, it would be better to have them sent to a central place such as the State Police, so that complete information could be compiled and made available to any jurisdiction in need of it.

**Response:** Since it is the local police who investigate burglaries, it is most effective to have dealers register with local agencies and submit information directly to them. Further, sending copies to the State Police at this time would be futile since it does not have a computer tracking system for precious items, or

the staff to conduct time-consuming manual searches.

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### **H8990/S4105A**

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.