



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

AMEND PRECIOUS METAL, GEM ACT

House Bill 4128 (Substitute H-2)
First Analysis (12-11-87)

RECEIVED

Sponsor: Rep. Wilbur Brotherton
Committee: State Affairs

FEB 04 1988

Michigan State Law Library

THE APPARENT PROBLEM:

Currently, the Precious Metal and Gem Dealer Act requires that dealers of precious items keep records of all transactions—both in receiving precious items as well as selling or exchanging them. The act also requires that these records include a thumbprint or fingerprint of a customer, and that these records are then made available to the police agency having jurisdiction over the area in which the dealer's business is located. This stipulation is required in the event that police discover that an item sold by a particular dealer was actually a stolen item which should be returned to the original owner, and in order to aid police in tracking down the criminal.

The act's language, however, impedes the process since it requires dealers to submit records of transactions only to the police agency which has jurisdiction over the area in which the dealer's business is located. A dealer often will have customers who live outside the jurisdiction of the local police agency; this, in turn, allows many transactions to be made—by customers who may be criminally involved—which get recorded but cannot be used by the police agency having jurisdiction over the customer's area of residence.

Another problem involves the time in which a dealer must retain a newly-acquired precious item without altering it. The act stipulates that dealers cannot change the form of a newly-received item—except for appraisal purposes—until seven days after receiving the item in order to give police agencies time to investigate whether or not a particular item had been stolen. Various police agencies assert that this time requirement should be extended to give them time for a more thorough investigation.

THE CONTENT OF THE BILL:

The bill would amend the Precious Metal and Gem Dealer Act to require that transaction records and fingerprints of customers be made available to both the local police agency and the agency having jurisdiction over the area in which the customer resides. Also, instead of providing forms in triplicate, a dealer would be required to provide a record of transaction form in quadruplicate. In addition to these changes, as well as various technical amendments, the bill would extend from seven days to nine days the time in which a dealer must retain a newly-received precious item without altering its form except to make an accurate appraisal of its value.

FISCAL IMPLICATIONS:

The Department of State Police reports the bill would have no fiscal impact on the state. (12-9-87)

ARGUMENTS:

For:

Since most precious-items dealers throughout the state do business with people who live a distance from their

business, records of the transactions often are of no use to the police agency in which the dealer's business is located; the police agency having jurisdiction over the area in which the customer resides is, by law, denied access to these records. The bill would allow law enforcement agencies to comply with the original intent of the act—regulating the sale and exchange of precious items. The bill also would grant police agencies two extra days to investigate whether or not precious items newly-acquired by a dealer have been stolen.

POSITIONS:

The Department of State Police supports the bill. (12-9-87)

The Michigan Sheriffs' Association supports the bill. (12-10-87)

The Michigan Association of Chiefs of Police supports the bill. (12-10-87)

H.B. 4128 (12-11-87)