

By: Representative Bailey

To: Judiciary B

HOUSE BILL NO. 1195
(As Sent to Governor)

1 AN ACT TO REGULATE THE BUSINESS OF PURCHASING GOLD AND
2 PRECIOUS ITEMS FOR THE PURPOSE OF RESELLING THOSE ITEMS IN ANY
3 FORM; TO DEFINE CERTAIN TERMS; TO EXCLUDE CERTAIN BUSINESSES FROM
4 THE PROVISIONS OF THIS ACT; TO REQUIRE DEALERS ENGAGED IN THE
5 BUSINESS OF BUYING PRECIOUS ITEMS TO OBTAIN A PRIVILEGE LICENSE
6 BEFORE ENGAGING IN THE BUSINESS, TO MAINTAIN CERTAIN INFORMATION
7 RELATING TO INDIVIDUAL TRANSACTIONS, AND TO MAKE WEEKLY REPORTS
8 REGARDING ITEMS PURCHASED TO LOCAL LAW ENFORCEMENT AGENCIES; TO
9 REQUIRE DEALERS TO KEEP PURCHASED ITEMS IN THEIR ORIGINAL FORM FOR
10 FIFTEEN BUSINESS DAYS; TO REQUIRE DEALERS TO PROMINENTLY DISPLAY A
11 COPY OF THIS ACT ON THEIR PREMISES; AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 **SECTION 1.** (1) As used in this act, the following words and
14 phrases have the meanings ascribed in this section unless the
15 context clearly indicates otherwise:

16 (a) "Dealer" means any person, corporation or
17 partnership that engages in the business of purchasing precious
18 items for the purpose of reselling such items in any form. The
19 term "dealer" does not include a manufacturer, retail merchant,
20 pawnbroker licensed under the Mississippi Pawnshop Act (Article 7,
21 Chapter 67, Title 75, Mississippi Code of 1972) or person in the
22 wholesale business, nor does it include any person who purchases
23 precious items at a social gathering in a private residence.

24 (b) "Local law enforcement agency" means the chief of
25 police for businesses located within the jurisdiction of a
26 municipality and the county sheriff for businesses located
27 outside the jurisdiction of a municipality.

28 (c) "Permanent place of business" means a fixed
29 premises either owned by the dealer or leased by the dealer for at
30 least one (1) year.

31 (d) "Precious item" means any of the following:



32 (i) An article made, in whole or in part, of gold,
33 silver or platinum.

34 (ii) Precious or semiprecious stones or pearls,
35 whether mounted or unmounted.

36 (e) "Purchase" means the acquisition of a precious item
37 or items for a consideration of cash, goods or another precious
38 item.

39 (2) This act shall not apply to any person who purchases
40 precious items from a retail merchant, pawnbroker licensed under
41 the Mississippi Pawnshop Act, manufacturer or wholesale dealer,
42 nor does it apply to any person who purchases precious items at a
43 social gathering in a private residence.

44 (3) For purposes of this section, the term "private
45 residence" means a separate dwelling or a separate apartment in a
46 multiple dwelling, which is occupied by members of a single-family
47 unit.

48 **SECTION 2.** (1) A dealer desiring to engage in the business
49 of purchasing precious items for the purpose of reselling those
50 items must purchase a privilege license under Section 27-17-9
51 which authorizes him or her to engage in that business. A dealer
52 may not operate in the State of Mississippi unless he or she has a
53 current privilege license to engage in the business of purchasing
54 precious items for the purpose of reselling those items.

55 (2) A dealer may operate only from the permanent place of
56 business listed on the privilege license. The dealer must forward
57 a copy of each privilege license to the local law enforcement
58 agency within five (5) days of receipt of the license.

59 **SECTION 3.** (1) Each dealer shall keep the following
60 information for six (6) months from the date of purchase of a
61 precious item:

62 (a) The name, current address, date of birth and
63 signature of the person from whom the dealer purchased the item.



64 (b) A description of the person, including height,
65 weight, race, complexion and hair color.

66 (c) A copy and the serial number of a valid
67 identification card number, as required under subsection (2).

68 (d) A list describing the items purchased from that
69 person.

70 Upon the request of a local law enforcement agency, the
71 dealer must make available any of the information required under
72 this subsection.

73 (2) Before making a purchase, a dealer shall require the
74 person from whom he or she is purchasing the precious item to
75 identify himself or herself with a valid driver's license,
76 nondriver's identification card, armed services identification
77 card or other valid photo identification sufficient to obtain the
78 information required under subsection (1). The photo
79 identification must contain a traceable serial number, which must
80 be recorded by the dealer. The local law enforcement agency shall
81 make available to each dealer a list of the forms of photo
82 identification that are acceptable under this act.

83 (3) Each dealer, at least once each week in which he or she
84 makes a purchase, shall make out and deliver to the local law
85 enforcement agency a true, complete and legible list of all items
86 purchased during the period since the last report. If the local
87 law enforcement agency has issued forms for the making of the
88 reports, the dealer must use those forms to meet the requirements
89 of this subsection. The list of items must include the following:

90 (a) The brand name and serial number, if any, of the
91 item or items purchased.

92 (b) An accurate description of each item sufficient to
93 enable the law enforcement agency to identify the item.

94 (c) The date and time when the item was received.

95 (d) The amount paid for each item.



96 (e) All information required under subsection (1) of
97 this section.

98 **SECTION 4.** (1) Any item purchased must be held in the
99 dealer's custody in the same shape and form for which it was
100 receipted for fifteen (15) business days after delivering the list
101 of items required under Section 3 of this act to the local law
102 enforcement agency.

103 (2) A dealer may make payment to a seller only by check made
104 payable to a named actual intended seller.

105 (3) It is presumptive evidence of intent to violate this act
106 if the items purchased are not listed or fail to agree with the
107 description contained in the required list.

108 (4) On notification by a law enforcement agency or district
109 attorney's office that the items purchased are the fruits of a
110 crime, a dealer may not dispose of those items.

111 (5) A dealer may not purchase items from any person under
112 eighteen (18) years of age unless the person is accompanied by a
113 parent or guardian who submits the identification required under
114 Section 3 of this act.

115 **SECTION 5.** Each dealer must display prominently a copy of
116 this statute in a conspicuous place on the premises of the
117 business.

118 **SECTION 6.** A violation of this act is a misdemeanor
119 punishable by a fine of not more than One Thousand Dollars
120 (\$1,000.00) or by imprisonment in the county jail for not more
121 than six (6) months, or by both fine and imprisonment.

122 **SECTION 7.** This act shall take effect and be in force from
123 and after July 1, 2011.

