HLS 13RS-501 ENGROSSED

Regular Session, 2013

HOUSE BILL NO. 188

1

BY REPRESENTATIVE PONTI

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

SECONDHAND DEALERS: Requires payment by check for precious metals

2	To amend and reenact R.S. 37:1864.3(A)(2) and to enact R.S. 37:1861(A)(8) and
3	1864.3(A)(3), relative to secondhand dealers; to define precious metal object; to
4	prohibit the payment of cash by secondhand dealers for precious metal objects; and
5	to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 37:1864.3(A)(2) is hereby amended and reenacted and R.S.
8	37:1861(A)(8) and 1864.3(A)(3) are hereby enacted to read as follows:
9	§1861. "Secondhand dealer" defined
10	A.
11	* * *
12	(8) For the purposes of this Part, "precious metal object" means one of the
13	following:
14	(a) A precious metal containing gold, iridium, palladium, platinum, or silver.
15	(b) A precious or semiprecious stone or a pearl, that is or appears to be
16	attached to or inlaid in a precious metal or alloy of a precious metal.
17	(c) An object that is composed of a precious metal or precious metal alloy
18	if at least twenty-five percent of the object's weight is precious metal or the market
19	value of the metal in the object lies primarily in the precious metal component.
20	* * *

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	§1864.3. Payment by check for copper or other metals required; check cashing
2	prohibited; penalties
3	A.
4	* * *
5	(2) A secondhand dealer shall not enter into any cash transactions in
6	payment for the purchase of any precious metal object. Payment for a precious metal
7	object shall be made in the form of a check made payable to the seller of the metal.
8	(3) A secondhand dealer shall not enter into any cash transactions in excess
9	of three hundred dollars in payment for the purchase of metal property other than
10	copper or a precious metal object. Payments in excess of three hundred dollars for
11	metals other than copper or a precious metal object shall be made in the form of a
12	check made payable to the name and address of the seller and may be tendered to the
13	seller at the time of the transaction. The secondhand dealer, at his discretion, may
14	make payment by either cash or other method for transactions of three hundred
15	dollars or less for all metals other than copper or a precious metal object.
16	* * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ponti HB No. 188

Abstract: Prohibits the payment of cash by secondhand dealers for the purchase of precious metal objects.

Present law provides that every person in this state engaged in the business of buying, selling, trading in, or otherwise acquiring or disposing of junk or used or secondhand property is a secondhand dealer. Present law further provides that anyone, other than a nonprofit entity, who buys, sells, trades in, or otherwise acquires or disposes of junk or used or secondhand property more frequently than once per month from any other person, other than a nonprofit entity, shall be deemed as being engaged in the business of a secondhand dealer.

Proposed law retains present law.

<u>Proposed law</u> defines "precious metal object" as one of the following:

(1) A precious metal containing gold, iridium, palladium, platinum, or silver.

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- (2) A precious or semiprecious stone or a pearl, that is or appears to be attached to or inlaid in a precious metal or alloy of a precious metal.
- (3) An object that is composed of a precious metal or precious metal alloy if at least 25% of the object's weight is precious metal or the market value of the metal in the object lies primarily in the precious metal component.

<u>Present law</u> prohibits a secondhand dealer from entering into any cash transactions in payment for the purchase of copper. <u>Present law</u> further requires payment for copper to be made in the form of a check issued to the seller of the metal and mailed to the address recorded on the photo identification of the seller no earlier than five business days after the date of the transaction.

Proposed law retains present law.

<u>Proposed law</u> prohibits a secondhand dealer from entering into any cash transactions in payment for the purchase of a precious metal object. <u>Proposed law</u> further requires payment for a precious metal object to be made in the form of a check issued to the seller of the metal.

<u>Present law</u> prohibits a secondhand dealer from entering into any cash transactions in excess of \$300 for the purchase of metal property other than copper. Payments in excess of \$300 for metals other than copper are to be made in the form of a check made payable to the seller of the metal and may be tendered to the seller at the time of the transaction. The secondhand dealer, at his discretion, may make payment by either cash or other method for transactions of \$300 or less for all metals other than copper.

<u>Proposed law</u> prohibits a secondhand dealer from entering into any cash transactions in excess of \$300 for the purchase of metal property other than copper or a precious metal object. Payments in excess of \$300 for metals other than copper or a precious metal object are to be made in the form of a check made payable to the seller of the metal and may be tendered to the seller at the time of the transaction. The secondhand dealer, at his discretion, may make payment by either cash or other method for transactions of \$300 or less for all metals other than copper or a precious metal object.

(Amends R.S. 37:1864.3(A)(2); Adds R.S. 37:1861(A)(8) and 1864.3(A)(3))

Summary of Amendments Adopted by House

Committee Amendments Proposed by <u>House Committee on Commerce</u> to the <u>original</u> bill

1. Deleted requirement that a check be mailed to the address recorded on the photo identification of the seller no earlier than five business days after the date of the transaction.