

---

**Public Safety & Emergency Preparedness  
Committee**

---

**HB 1716**

**Brief Description:** Regulating secondhand dealers who deal with precious metal property.

**Sponsors:** Representatives Asay, Hurst, Klippert, Pearson and Miloscia.

**Brief Summary of Bill**

- Expands the definition of "secondhand dealers" to include transient secondhand businesses.
- Requires secondhand dealers to maintain specific detailed records for transactions involving precious metals for a total of three years.
- Prohibits the removal of any previous metal property bought or received in pledge or by consignment by a secondhand dealer from the place of business for a period of 45 days after the receipt of that property, except when redeemed by or returned to the owner.
- Makes it an unranked class C felony to commit a second or subsequent offense that involves property consisting of a precious metal.

**Hearing Date:** 2/15/11

**Staff:** Yvonne Walker (786-7841).

**Background:**

"Secondhand dealer" is defined as every person engaged, in whole or in part, in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Record Keeping. Generally, records must be maintained for each transaction for three years after the date of the transaction. The records of each transaction kept by a secondhand dealer must include the following additional information:

- date of the transaction;
- signature of the person with whom the transaction is made;
- the name, date of birth, height, weight, race, address, and telephone number of the person with whom the transaction is made;
- a complete description of the property including brand name, serial number, or model name;
- type and identifying number of identification used by the person with whom the transaction is made;
- the nature of the transaction and number identifying the transaction;
- the name or identification number of the employee conducting the transaction;
- the price paid or amount loaned; and
- the store identification number or name and the address of the store.

Transcripts of the previous day's business, when requested by the police within the time-period required by the police, may be transmitted by facsimile, electronically, or by delivery of a computer disk.

Restrictions on Transfer of Property. Property bought or received in pledge or by consignment by a secondhand dealer may not be removed from the place of business within 30 days after the receipt of that property, except when redeemed by or returned to the owner. The property must be available for inspection by the police. Following notification from the police that an item of property has been reported as stolen, a secondhand dealer must place an identifying tag on the property and keep it safe. A secondhand dealer may not release that item for 120 days without the consent of the police or an order of the court. If the police place a verbal hold on an item that has been reported as stolen, the police must give written notice confirming the hold to the secondhand dealer holding the property within 10 business days. If the police do not give written notice, the hold order will cease. The secondhand dealer must give the police written notice 20 days before the expiration of the 120-day period or the hold on the property will continue for an additional 120 days. The police may renew a hold for an additional 120-day period by giving written notice of an additional hold.

Prohibited Acts. It is a gross misdemeanor offense:

- to alter a serial number or identifying mark on a piece of personal property that has been pledged;
- to accept for pledge or secondhand purchase personal property on which the manufacturer's serial number or identifying mark has been altered;
- to make or allow a false entry or mis-statement of any material matter in records required to be maintained under pawnbroker and secondhand dealer laws;
- for a secondhand dealer to accept property from anyone under 18 years of age, anyone who is under the influence of drugs or alcohol, or anyone known by the secondhand dealer to be convicted of burglary, robbery, theft or possession of receiving stolen goods; or
- for a secondhand dealer to engage in check cashing or selling without complying with the check casher and seller laws.

## **Summary of Bill:**

The definition of "secondhand dealer" is expanded to include those persons or business engaged in transactions involving secondhand property despite whether or not the person maintains a fixed place of business within the state, such as a temporary, transient secondhand business.

Record Keeping for Receipt of Precious Metals. Secondhand dealers, including temporary, transient secondhand dealers, must maintain records for three years after the date of each transaction involving precious metals. Each secondhand dealer must maintain wherever that business is conducted, a record that includes the following information:

- date and time of the transaction;
- signature and photo of the person with whom the transaction is made and if, the amount of the transaction is greater than \$100, then also the fingerprints of the person with whom the transaction is made;
- the name, date of birth, sex, height, weight, race, address, and telephone number of the person with whom the transaction is made;
- a complete description of the property pledged, bought, or consigned, including brand name, serial number, model name, any initials or engraving, size, pattern, and color of stone or stones, and in the case of firearms, the caliber, barrel length, type of action, and whether it is a pistol, rifle, or shotgun;
- type and identifying number of identification used by the person with whom the transaction is made, which consist of full copies of the person's valid driver's license or identification card or two pieces of identification issued by a government agency, one of which must be a current government issued picture identification;
- the name or identification number of the employee conducting the transaction; and
- the price paid and if the amount is greater than \$100, the amount must be paid by a written instruction to pay signed by the person giving the instruction.

Restrictions on Transfer of Property. Property consisting of a precious metal bought or received in pledge or by consignment by a secondhand dealer, with a permanent place of business in Washington, may not be removed from the place of business for 45 days after the receipt of that property, except when redeemed by or returned to the owner. If the secondhand dealer does not have a permanent place of business in the state, the precious metal property must be held within the city or county in which the property was received for a total of 45 days after the receipt of the property, except consigned property returned to the owner. All previous metal property received by a secondhand dealer must be available for inspection by the police.

All secondhand dealers doing business in Washington must obtain a business license from the local government in which the business is situated prior to operating a business.

Prohibited Acts. If a law enforcement agency has compiled and published a list of persons who have been convicted of a theft offense, than secondhand dealers must use the list for any transactions involving property. If the property involved is a precious metal then the secondhand dealer may not engage or continue with the transaction with the (theft) offender on the list. Law enforcement is authorized to arrest any person where there is probable cause to believe that the person has committed or is committing a violation relating to pawnbrokers and secondhand dealers transactions.

A secondhand dealer is guilty of an unranked class C felony offense if found guilty of committing a second or subsequent gross misdemeanor offense relating to illegal precious metal transactions.

**Appropriation:** None.

**Fiscal Note:** Requested on February 9, 2011.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.