
HOUSE BILL 1716

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Asay, Hurst, Klippert, Pearson, and Miloscia

Read first time 01/31/11. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to the regulation of secondhand dealers; amending
2 RCW 19.60.010, 19.60.020, and 19.60.055; reenacting and amending RCW
3 19.60.066; adding new sections to chapter 19.60 RCW; creating a new
4 section; and prescribing penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds:

7 (1) The market price of gold has increased significantly in recent
8 years and there has been a proliferation of secondhand dealers,
9 including temporary, transient secondhand businesses, engaging in "cash
10 for gold" type precious metal transactions. Frequently, these "cash
11 for gold" type operations are operated by persons desiring to exploit
12 unsuspecting consumers based on current market conditions;

13 (2) The increasing number of "cash for gold" type transactions in
14 communities and neighborhoods throughout Washington has been linked to
15 increased crimes involving the theft of gold and other precious metal
16 objects, including home burglaries, robberies, and other crimes,
17 resulting in depressed home values and other threats to the health,
18 safety, and welfare of Washington state residents; and

1 (3) With the growing number of precious metal transactions, there
2 is a corresponding significant increase in the number of "cash for
3 gold" type storefront businesses, including temporary, transient
4 secondhand businesses, in Washington state which may not be consistent
5 with the growth goals and quality of life sought by communities and
6 neighborhoods and the state as a whole.

7 Therefore, to better protect legitimate owners, consumers, and
8 secondhand dealers, the legislature intends to establish and implement
9 stricter standards relating to transactions involving property
10 consisting of gold and other precious metals.

11 **Sec. 2.** RCW 19.60.010 and 1995 c 133 s 1 are each amended to read
12 as follows:

13 Unless the context clearly requires otherwise, the definitions in
14 this section apply throughout this chapter.

15 (1) "Melted metals" means metals derived from metal junk or
16 precious metals that have been reduced to a melted state from other
17 than ore or ingots which are produced from ore that has not previously
18 been processed.

19 (2) "Metal junk" means any metal that has previously been milled,
20 shaped, stamped, or forged and that is no longer useful in its original
21 form, except precious metals.

22 (3) "Nonmetal junk" means any nonmetal, commonly discarded item
23 that is worn out, or has outlasted its usefulness as intended in its
24 original form except nonmetal junk does not include an item made in a
25 former period which has enhanced value because of its age.

26 (4) "Pawnbroker" means every person engaged, in whole or in part,
27 in the business of loaning money on the security of pledges of personal
28 property, or deposits or conditional sales of personal property, or the
29 purchase or sale of personal property.

30 (5) "Precious metals" means gold, silver, and platinum.

31 (6) "Secondhand dealer" means every person engaged in whole or in
32 part in the business of purchasing, selling, trading, consignment
33 selling, or otherwise transferring for value, secondhand property
34 including metal junk, melted metals, precious metals, whether or not
35 the person maintains a fixed place of business within the state, such
36 as temporary, transient secondhand businesses. Secondhand dealer also

1 includes persons or entities conducting business at flea markets or
2 swap meets, more than three times per year.

3 (7) "Secondhand property" means any item of personal property
4 offered for sale which is not new, including metals in any form, except
5 postage stamps, coins that are legal tender, bullion in the form of
6 fabricated hallmarked bars, used books, and clothing of a resale value
7 of seventy-five dollars or less, except furs.

8 (8) "Transaction" means a pledge, or the purchase of, or
9 consignment of, or the trade of any item of personal property by a
10 pawnbroker or a secondhand dealer from a member of the general public.

11 (9) "Loan period" means the period of time from the date the loan
12 is made until the date the loan is paid off, the loan is in default, or
13 the loan is refinanced and new loan documents are issued, including all
14 grace or extension periods.

15 **Sec. 3.** RCW 19.60.020 and 1991 c 323 s 2 are each amended to read
16 as follows:

17 (1) Every pawnbroker and secondhand dealer doing business in this
18 state shall maintain wherever that business is conducted a record in
19 which shall be legibly written in the English language, at the time of
20 each transaction, the following information:

21 (a) The signature of the person with whom the transaction is made;

22 (b) The date of the transaction;

23 (c) The name of the person or employee or the identification number
24 of the person or employee conducting the transaction, as required by
25 the applicable chief of police or the county's chief law enforcement
26 officer;

27 (d) The name, date of birth, sex, height, weight, race, and address
28 and telephone number of the person with whom the transaction is made;

29 (e) A complete description of the property pledged, bought, or
30 consigned, including the brand name, serial number, model number or
31 name, any initials or engraving, size, pattern, and color or stone or
32 stones, and in the case of firearms, the caliber, barrel length, type
33 of action, and whether it is a pistol, rifle, or shotgun;

34 (f) The price paid or the amount loaned;

35 (g) The type and identifying number of identification used by the
36 person with whom the transaction was made, which shall consist of a
37 valid drivers license or identification card issued by any state or two

1 pieces of identification issued by a governmental agency, one of which
2 shall be descriptive of the person identified. At all times, one piece
3 of current government issued picture identification will be required;
4 and

5 (h) The nature of the transaction, a number identifying the
6 transaction, the store identification as designated by the applicable
7 law enforcement agency, or the name and address of the business and the
8 name of the person or employee, conducting the transaction, and the
9 location of the property.

10 (2) (~~This~~) For any transaction involving property consisting of
11 a precious metal, every secondhand dealer or temporary, transient
12 secondhand dealer doing business in this state shall maintain wherever
13 that business is conducted a record in which shall be legibly written
14 in the English language, at the time of each transaction, the following
15 information:

16 (a) The signature and photo of the person with whom the transaction
17 is made. If the amount paid is greater than one hundred dollars, then
18 the signature, photo, and fingerprint of the person with whom the
19 transaction is made;

20 (b) The time and date of the transaction;

21 (c) The name of the person or employee or the identification number
22 of the person or employee conducting the transaction, as required by
23 the applicable chief of police or the county's chief law enforcement
24 officer. If the amount paid is greater than one hundred dollars, then
25 the name of the person or employee or the identification number of the
26 person or employee conducting the transaction;

27 (d) The name, date of birth, sex, height, weight, race, and
28 residential address and telephone number of the person with whom the
29 transaction is made;

30 (e) A complete description of the property pledged, bought, or
31 consigned, including the brand name, serial number, model number or
32 name, any initials or engraving, size, pattern, and color of stone or
33 stones, and in the case of firearms, the caliber, barrel length, type
34 of action, and whether it is a pistol, rifle, or shotgun;

35 (f) The price paid. If the amount paid is greater than one hundred
36 dollars the amount may not be by cash but must be by a written
37 instruction to pay signed by the person giving the instruction;

1 (g) The type and identifying number of identification used by the
2 person with whom the transaction was made, which shall consist of a
3 valid driver's license or identification card issued by any state or
4 two pieces of identification issued by a governmental agency, one of
5 which shall be descriptive of the person identified, and a full copy of
6 both sides of each piece of identification used by the person with whom
7 the transaction was made. At all times, one piece of current
8 government issued picture identification will be required; and

9 (h) The nature of the transaction, a number identifying the
10 transaction, the store identification as designated by the applicable
11 law enforcement agency, or the name and address of the business or
12 location, including the street address, and room number if appropriate,
13 and the name of the person or employee, conducting the transaction, and
14 the location of the property.

15 (3) The records required in subsections (1) and (2) of this section
16 shall at all times during the ordinary hours of business, or at
17 reasonable times if ordinary hours of business are not kept, be open to
18 the inspection of any commissioned law enforcement officer of the state
19 or any of its political subdivisions, and shall be maintained wherever
20 that business is conducted for three years following the date of the
21 transaction.

22 **Sec. 4.** RCW 19.60.055 and 1991 c 323 s 6 are each amended to read
23 as follows:

24 (1) Property other than property consisting of a precious metal
25 bought or received on consignment by any secondhand dealer with a
26 permanent place of business in the state shall not be removed from that
27 place of business except consigned property returned to the owner,
28 within thirty days after the receipt of the property.

29 (2) Property consisting of a precious metal bought or received on
30 consignment by any secondhand dealer with a permanent place of business
31 in the state may not be removed from that place of business except
32 consigned property returned to the owner, within forty-five days after
33 the receipt of the property.

34 (3) Property shall at all times during the ordinary hours of
35 business be open to inspection to any commissioned law enforcement
36 officer of the state or any of its political subdivisions.

1 ~~((+2))~~ (4) Property other than property consisting of a precious
2 metal bought or received on consignment by any secondhand dealer
3 without a permanent place of business in the state, shall be held
4 within the city or county in which the property was received, except
5 consigned property returned to the owner, within thirty days after
6 receipt of the property.

7 (5) Property consisting of a precious metal bought or received on
8 consignment by any secondhand dealer without a permanent place of
9 business in the state, must be held within the city or county in which
10 the property was received, except consigned property returned to the
11 owner, within forty-five days after receipt of the property.

12 (6) The property shall be available within the appropriate
13 jurisdiction for inspection at reasonable times by any commissioned law
14 enforcement officer of the state or any of its political subdivisions.

15 NEW SECTION. Sec. 5. A new section is added to chapter 19.60 RCW
16 to read as follows:

17 (1) If the applicable chief of police or the county's chief law
18 enforcement officer has compiled and published a list of persons who
19 have been convicted of any crime involving theft, then a secondhand
20 dealer shall utilize such a list for any transaction involving property
21 other than property consisting of a precious metal as required by the
22 applicable chief of police or the county's chief law enforcement
23 officer.

24 (2) If the applicable chief of police or the county's chief law
25 enforcement officer has compiled and published a list of persons who
26 have been convicted of any crime involving theft, then a secondhand
27 dealer shall utilize such a list for any transaction involving property
28 consisting of a precious metal and may not engage in any transaction
29 with a person on the list.

30 NEW SECTION. Sec. 6. A new section is added to chapter 19.60 RCW
31 to read as follows:

32 No secondhand dealer doing business in this state may operate a
33 business without first obtaining a business license from the local
34 government in which the business is situated.

1 **Sec. 7.** RCW 19.60.066 and 1991 c 355 s 21 and 1991 c 323 s 10 are
2 each reenacted and amended to read as follows:

3 (1) It is a gross misdemeanor under chapter 9A.20 RCW for:

4 ~~((+1))~~ (a) Any person to remove, alter, or obliterate any
5 manufacturer's make, model, or serial number, personal identification
6 number, or identifying marks engraved or etched upon an item of
7 personal property that was purchased, consigned, or received in pledge.
8 In addition an item shall not be accepted for pledge or a secondhand
9 purchase where the manufacturer's make, model, or serial number,
10 personal identification number, or identifying marks engraved or etched
11 upon an item of personal property has been removed, altered, or
12 obliterated;

13 ~~((+2))~~ (b) Any person to knowingly make, cause, or allow to be
14 made any false entry or misstatement of any material matter in any
15 book, record, or writing required to be kept under this chapter;

16 ~~((+3))~~ (c) Any pawnbroker or secondhand dealer to receive any
17 property from any person under the age of eighteen years, any person
18 under the influence of intoxicating liquor or drugs, or any person
19 known to the pawnbroker or secondhand dealer as having been convicted
20 of burglary, robbery, theft, or possession of or receiving stolen
21 property within the past ten years whether the person is acting in his
22 or her own behalf or as the agent of another;

23 ~~((+4))~~ (d) Any pawnbroker to engage in the business of cashing or
24 selling checks, drafts, money orders, or other commercial paper serving
25 the same purpose unless the pawnbroker complies with the provisions of
26 chapter 31.45 RCW; or

27 ~~((+5))~~ (e) Any person to violate knowingly any other provision of
28 this chapter.

29 (2) It is a class C felony under chapter 9A.20 RCW for a secondhand
30 dealer to commit a second or subsequent violation of subsection (1) of
31 this section involving property consisting of a precious metal.

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