

51:6A-1--51:6A-8

LEGISLATIVE HISTORY CHECKLIST

NJSA 51:6A--51:6A-8; Repeals (Precious metals--regulate and license
51:5-8 and 51:6-11 purchasers)

LAWS 1981 CHAPTER 96

Bill No. A1166/A1539

Sponsor(s) Bassano

Date Introduced Feb. 25, 1980

Committee: Assembly Commerce, Industry and Professions

Senate Law, Public Safety and Defense

Amended during passage Yes ~~No~~ Assembly Committee substitute
(OCR) enacted

Date of Passage: Assembly Nov. 10, 1980

Senate Feb. 26, 1981

Date of approval March 31, 1981

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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[OFFICIAL COPY REPRINT]
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 1166 and 1539

STATE OF NEW JERSEY

ADOPTED OCTOBER 16, 1980

AN ACT regulating certain persons in the business of buying certain precious metals and supplementing Title 51 of the Revised Statutes and repealing sections 1 and 2 of P. L. 1980, c. 53 (C. 51:5-8 and C. 51:6-11).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Any person in the business of buying precious metals who
2 buys, attempts to buy or offers to buy precious metals on the basis
3 of bulk value from any person who is not in the business of selling
4 precious metals shall:

5 a. Clearly and prominently display at the point of purchase:

6 (1) His name and address;

7 (2) The price being offered or paid by the buyer for precious
8 metals expressed as price per standard measure of weight and
9 fineness as prescribed by the Superintendent of Weights and
10 Measures.

11 b. Include his name and address in all advertisements concerning
12 such precious metals.

13 c. Weigh the precious metals in plain view of the seller on
14 State certified scales with the certificate of inspection clearly and
15 prominently displayed.

16 d. Test the fineness of precious metals, if any test is so per-
17 formed, in plain view of the seller.

18 e. Issue to the seller and keep for his own records, for not less
19 than 1 year, a serialized receipt for each purchase of precious
20 metals containing the following:

21 (1) The name and address of the buyer;

22 (2) Date of the transaction;

23 (3) The names of the precious metals purchased;

24 (4) The finenesses of the precious metals purchased;

25 (5) The weights of the precious metals purchased;

26 (6) The prices paid for the precious metals at the standard
27 measures of weight and fineness prescribed by the superintendent;

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

28 (7) The name, address and signature of the seller of the precious
29 metals.

30 f. Obtain proof of identity from each person who sells precious
31 metals to him.

32 g. Retain any precious metals in the form in which they were
33 purchased for a period of not less than 2 business days, minimum
34 48 hours.

35 h. Upon *reasonable* request, allow the inspection of the serial-
36 ized receipts or precious metals provided for in subsections e and g
37 respectively of this section by any law enforcement officer or weights
38 and measures official.

39 i. Obtain a bond in an amount and form prescribed by regulations
40 of the Office of Weights and Measures. The bond shall be obtained
41 from a surety company authorized by law to do business in this
42 State. The bond shall run to the State for the benefit of any person
43 injured by the wrongful act, default, fraud or misrepresentation
44 of the buyer of precious metals. No bond shall comply with the
45 requirements of this subsection unless the bond contains a provision
46 that it shall not be cancelled for any cause unless notice of intention
47 to cancel is filed in the Office of Weights and Measures at least
48 30 days before the day upon which cancellation shall take effect.
49 This subsection shall only apply to transient buyers.

1 2. A buyer of precious metals as provided for in this act shall,
2 before buying, attempting to buy or offering to buy any precious
3 metals, register with the police of the municipality in which he
4 intends to conduct his business and give his name and address.
5 A transient buyer of precious metals shall, in addition to the
6 information required of a buyer of precious metals, provide the
7 address at which he intends to do business in the municipality and
8 shall reregister if he changes his location of doing business in the
9 municipality or if he discontinues doing business for more than
10 20 days in the municipality and subsequently wants to resume
11 doing business therein. Any person who violates any provision of
12 this section is a disorderly person.

1 3. Any person who violates any provision of this act shall be
2 liable to a mandatory penalty of not less than \$100.00 nor more
3 than \$500.00 recoverable by the Superintendent of Weights and
4 Measures pursuant to "the penalty enforcement law" (N. J. S.
5 2A:58-1 et seq.). An action for the recovery of a civil penalty for
6 violation of this act shall be within the jurisdiction of and may be
7 brought before any superior court, county district court or muni-
8 cipal court in the county or municipality where the offense is
9 committed or where the defendant resides or where the defendant
10 may be apprehended.

11 A summons or warrant against any foreign business entity doing
12 business in this State shall be processed as provided by law.

1 4. On the violation of any of the provisions of this act within
2 his view, a weights and measures officer may without warrant
3 arrest the offender and conduct him before a court having
4 jurisdiction.

1 5. For purposes of this act:

2 a. "Precious metals" means gold, silver, platinum, palladium
3 and alloys thereof.

4 b. "His name and address" means the name of the buyer and
5 the legal name of the business under which the buyer is doing
6 business, together with the permanent business address.

7 c. "Transient buyer" means a buyer of precious metals as pro-
8 vided for in this act who has not been in any retail business
9 continuously for at least 6 months at the address in the municipality
10 where he is required to register or who intends to close out or
11 discontinue all retail business in the municipality within 6 months.

1 6. This act is not applicable to government agencies, State or
2 Federally chartered banks or Federally regulated commodity
3 markets.

1 7. This act is not intended, and nothing in this act shall be
2 constructed, to preclude the right of any municipality to adopt
3 and enforce ordinances or regulations more restrictive than this
4 act or any rules or regulations promulgated thereunder.

1 8. If the provisions of any section, subsection, paragraph, sub-
2 division or clause of this act shall be judged invalid by a court of
3 competent jurisdiction, the order or judgment shall not affect or
4 invalidate the remainder of any section, subsection, paragraph,
5 subdivision or clause of this act and, to this end, the provisions
6 of each section, subsection, paragraph, subdivision or clause of
7 this act are declared to be severable.

1 9. Sections 1 and 2 of P. L. 1980, c. 53 (C. 51 :5-8 and C. 51 :6-11)
2 are repealed.

1 10. This act shall take effect on the ninetieth day after enactment.

ASSEMBLY, No. 1166

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 25, 1980

By Assemblyman BASSANO, Assemblywoman GLUCK, Assemblymen
HURLEY, BAER, HARDWICK, FRANKS, MAGUIRE,
SCHWARTZ and FLYNN

Referred to Committee on Commerce, Industry and Professions

A SUPPLEMENT to "An act concerning consumer fraud, its preven-
tion, and providing penalties therefor," approved June 9, 1960
(P. L. 1960, c. 39, C. 56:8-1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. It shall be an unlawful practice for a person in the business of
2 buying precious metals to buy precious metals from a person who
3 is not in the business of selling precious metals unless:

4 a. The name of the buyer or the name of the business under
5 which the buyer is doing business is clearly and prominently dis-
6 played at the point of purchase.

7 b. The prices at which the precious metals are being bought are
8 prominently displayed at the point of purchase as well as on the
9 receipt given to the seller and are expressed as price per standard
10 measure as prescribed by the Division of Consumer Affairs.

11 c. The weighing of the precious metals is done in plain view of
12 the seller on State certified scales with the certificate of inspection
13 clearly and prominently displayed at the point of purchase.

14 d. Any additional testing of items for precious metal content is
15 conducted in plain view of the seller with the results posted on the
16 receipt given to the seller. For the purposes of this act "precious
17 metals" means gold, silver, platinum and alloys thereof.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to protect persons who are not in the
business of selling precious metals from buyers possessing superior
knowledge of this highly specialized and sophisticated mercantile
business. In most instances the general public is uninformed of the

correct values of gold, silver, and platinum and the methods of assaying the various alloys thereof. This bill is meant to ensure that persons not in the business of selling precious metals are given a fair price for their goods.

ASSEMBLY, No. 1539

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1980

By Assemblymen PATERNITI, BORNHEIMER, GIRGENTI, PELLECCCHIA, ZANGARI, FORTUNATO, DORIA, COSTELLO, PATERO, ADUBATO, KARCHER, Assemblywoman McCONNELL, Assemblymen McENROE, FLYNN, HERMAN, SMITH, DALTON, CODEY and VILLANE

Referred to Committee on Commerce, Industry and Professions

AN Act to regulate and license persons in the business of purchasing precious metals, and supplementing Title 45 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. A person shall not engage in the business of purchasing
2 precious metals without first obtaining a license from the Attorney
3 General. The Attorney General shall promulgate regulations
4 establishing the requirements and fees for licensure, and the
5 standard measure of weight for precious metals. A person who
6 meets the requirements for licensure and pays the license fees may
7 receive a license to do business in this State.

1 2. A licensed purchaser of precious metals, prior to doing
2 business, shall obtain a bond in an amount and form prescribed by
3 regulations of the Attorney General. The bond shall be obtained
4 from a surety company authorized by law to do business in this
5 State. The bond shall run to the State for the benefit of any person
6 injured by the wrongful act, default, fraud or misrepresentation of
7 the purchaser of precious metals. No bond shall comply with the
8 requirements of this section unless the bond contains a provision
9 that it shall not be cancelled for any cause unless notice of inten-
10 tion to cancel is filed in the Attorney General's Office at least 30
11 days before the day upon which cancellation shall take effect.

1 3. A licensed purchaser of precious metals, prior to doing busi-
2 ness, shall register with the police in the municipality in which his
3 place of business is located. At the time of registration the
4 purchaser of precious metals shall display to the police his license

5 for doing business in this State and the police shall record the
6 licensee's name, address of business and license number.

1 4. This act is not applicable to government agencies or to State
2 or Federally chartered banks.

1 5. Each purchaser of precious metals shall prominently display
2 at the point of purchase:

3 a. His license for purchasing precious metals containing the
4 licensee's name, address of doing business and license number;

5 b. The prices which the purchaser is offering for the precious
6 metals expressed as price for standard measure of weight as pre-
7 scribed by the Attorney General;

8 c. The certificate of inspection indicating that the scales being
9 used have been certified by the Office of Weights and Measures.

1 6. A copy of the receipt provided to the seller shall be retained
2 by the purchaser of the precious metals for a period of 2 years and
3 contain the following:

4 a. The purchaser's price at which the precious metals are bought
5 at a standard measure of weight prescribed by the Attorney
6 General;

7 b. The weight of the precious metal purchased and a description
8 of the items purchased;

9 c. The name and address of the seller who shall be at least 18
10 years of age and shall provide proof of identity;

11 d. The type of documentation provided to substantiate the
12 identity and age of the seller, including the seller's social security
13 number from a valid social security card.

1 7. A copy of the receipt containing the required information shall
2 be made available upon request to a law enforcement officer.

1 8. For the purposes of this act "precious metals" means gold,
2 silver, platinum and alloys thereof and coins containing precious
3 metals.

1 9. A person who violates any provision of this act is guilty of a
2 crime of the fourth degree.

1 10. The Attorney General may revoke any license issued under
2 the provisions of this act for any violation of its provisions or any
3 regulation adopted under it.

4 Before revoking a license, the Attorney General shall give a
5 licensee written notice of the alleged violations and provide the
6 licensee with the opportunity for a hearing. A license may be
7 revoked after 5 days from the day the notice is sent if a licensee
8 does not respond to the notice or does not desire a hearing. A
9 license may be revoked at any time after a hearing is held.

1 11. This act shall take effect ninety days after enactment.

STATEMENT

The purpose of this bill is to license, bond and regulate the purchasers of precious metals.

The wide fluctuations in the value of precious metals have led to an increase in the buying and selling of such merchandise. In many instances the precious metals being sold to jewelry stores and others engaged in the business of purchasing these metals have been stolen. By licensing these purchasers and requiring that detailed information be retained for the inspection of law enforcement officials, stolen property may be more readily identified and recovered.

The bill also requires licensed purchasers of precious metals to register with the local police. This affords the police a record by which they may more readily trace stolen merchandise.

The bill also provides penalties for violators.

ASSEMBLY COMMERCE, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY Nos. 1166 and 1539

STATE OF NEW JERSEY

DATED: OCTOBER 16, 1980

This Assembly Committee Substitute provides for the regulation of persons who buy precious metals on the basis of bulk value from the public. The substitute requires such a buyer to:

- a. Display at the point of purchase his name and address and the prices being offered for the metals;
- b. Include his name and address in his advertisements;
- c. Weigh the precious metals in plain view of the seller on State Certified scales;
- d. Test the fineness of the precious metals in plain view of the seller;
- e. Fill out and keep for 1 year serialized receipts for each purchase;
- f. Obtain proof of identity from a seller of precious metals;
- g. Retain the precious metals purchased for at least 2 business days;
- h. Allow law enforcement officers and weights and measures officials to inspect the serialized receipts and the precious metals being held.

All such buyers of precious metals must register with the police in the municipality in which they intend to do business. Transient buyers of precious metals are required to be bonded.

The provisions of this bill will be enforced by the Office of Weights and Measures and any person who violates any of its provisions will be subject to a penalty of not less than \$100.00 nor more than \$500.00.

Section 7 of the bill allows municipalities to adopt and enforce ordinances or regulations more restrictive than the provisions of this bill or the regulations promulgated thereunder.

Section 9 repeals sections 1 and 2 of P. L. 1980, c. 53 (C. 51:5-8 and C. 51:6-11) which gave the Office of Weights and Measures general authority to issue rules and regulations to regulate the marketing of certain precious metals under Chapters 5 and 6 of Title 51 of the Revised Statutes. This Assembly Committee Substitute sets forth more clearly and specifically the content of such rules and regulations.

SENATE LAW, PUBLIC SAFETY AND DEFENSE
COMMITTEE

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 1166 and 1539

STATE OF NEW JERSEY

DATED: FEBRUARY 19, 1981

This Assembly Committee Substitute provides for the regulation of persons who buy precious metals on the basis of bulk value from the public. The substitute requires such a buyer to:

- a. Display at the point of purchase his name and address and the prices being offered for the metals;
- b. Include his name and address in his advertisements;
- c. Weigh the precious metals in plain view of the seller on State Certified scales;
- d. Test the fineness of the precious metals in plain view of the seller;
- e. Fill out and keep for 1 year serialized receipts for each purchase;
- f. Obtain proof of identity from a seller of precious metals;
- g. Retain the precious metals purchased for at least 2 business days;
- h. Allow law enforcement officers and weights and measures officials to inspect the serialized receipts and the precious metals being held.

The Senate Law, Public Safety and Defense Committee adopted an amendment recommended by the New Jersey Jewelers Association to include the word "reasonable" in the section regarding inspection of serialized receipts.

All such buyers of precious metals must register with the police in the municipality in which they intend to do business. Transient buyers of precious metals are required to be bonded.

The provisions of this bill will be enforced by the Office of Weights and Measures and any person who violates any of its provisions will be subject to a penalty of not less than \$100.00 nor more than \$500.00.

Section 7 of the bill allows municipalities to adopt and enforce ordinances or regulations more restrictive than the provisions of this bill or the regulations promulgated thereunder

Section 9 repeals sections 1 and 2 of P. L. 1980, c. 53 (C. 51:5-8 and C. 51:6-11) which gave the Office of Weights and Measures general authority to issue rules and regulations to regulate the marketing of certain precious metals under Chapters 5 and 6 of Title 51 of the Revised Statutes. This Assembly Committee Substitute sets forth more clearly and specifically the content of such rules and regulations.

The Division of Criminal Justice in the Department of Law and Public Safety supports the bill.