



**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Opinion Letter. This is a staff analysis in response to the agency’s, committee’s or legislator’s request.

**BILL SUMMARY**

Summary Synopsis:

This Bill creates the Precious Metal Buyers Act. The Bill requires a precious metal buyer (a person engaged in purchase or trade of gold, silver, platinum, palladium or rhodium for resale, smelting, or melting) to obtain an annual permit from the counties’ or municipalities’ respective agency authorized to issue such permits (herein the “local government agency”). Under the Bill, a precious metal buyer may be required to pay a fee and shall submit an application to obtain a permit from the local government agency.

The precious metal buyer is permitted from engaging in business as a precious metal buyer without executing and delivering a bond in the amount of \$10,000 to the local government agency where the buyer’s place of business is located. The form and conditions of the bond shall be approved by the local government agency and shall be for the benefit of party’s damaged by a breach of conditions set forth in the bond. Upon execution and delivery of the bond, a precious metal buyer shall submit proof of such bond to the local government agency with each application for an original or renewal permit.

The Bill also requires a buyer to keep detailed daily reports and delivery receipts of all precious metals purchased or sold and information about the party selling or purchasing the goods. The buyer shall make these reports available for inspection to the local government agency.

Additionally, the Bill prohibits a buyer from removing from the state, selling, smelting, melting down, altering or otherwise disposing of the precious metal for specified periods of time. The Bill further prohibits a buyer from engaging in a transaction with a party under the age of eighteen or under the influence or drugs or alcohol, purchasing or receiving stolen precious metals, and any requirements that proceeds from the purchase of precious metals be spent at the buyer’s business.

The Bill provides that the local government agency may institute proceedings for the suspension or permanent revocation of a buyer’s permit if a written complaint alleging a violation of the proposed Precious Metal Buyers Act is filed by a local law enforcement agency, district attorney or the Attorney General. The Bill includes pre and post-hearing notice requirements to the buyer, but the Bill does not provide for any procedure for appeal by a permit holder.

The penalties for violating the proposed Precious Metal Buyers Act include being found guilty of a misdemeanor and being subject to revocation and suspension of a permit by the local

government agency.

#### **FISCAL IMPLICATIONS WITH ENACTING THIS BILL**

Minimal. The Bill may require that the Attorney General's Office expend resources to investigate complaints and any prosecutions by the Attorney General's Office.

#### **SIGNIFICANT LEGAL ISSUES**

The Bill does not provide for a right or procedure to appeal the decision of a local government agency revoking or suspending a buyer's permit.

#### **PERFORMANCE IMPLICATIONS WITH ENACTING THIS BILL**

None.

#### **ADMINISTRATIVE IMPLICATIONS WITH ENACTING THIS BILL**

None.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP WITH BILLS INTRODUCED THIS SESSION**

None.

#### **TECHNICAL ISSUES OR DRAFTING ERROR**

None.

#### **OTHER SUBSTANTIVE LEGAL ISSUES**

None.

#### **ALTERNATIVES TO ENACTING THIS BILL**

None.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

N/A

#### **AMENDMENTS NEEDED TO IMPROVE THIS BILL**

The Bill should include a provision providing for the Attorney General's power to promote and protect the public health, safety, and morals of the citizen's of the state and is therefore a valid exercise of the state's police powers.