

SENATE FILE 446

State Government  
Briles, Chairperson  
Gallagher  
Tiedon

*In Joseph ...  
1/25/82 (p. 191)  
Amended per 5054 ...  
1/25/82 (p. 252)*

*Referred Judiciary 3/1/82*

SENATE FILE 446

Judiciary  
Rush, Chair  
Kudart  
S. all

**FILED MAR 19 1982**

SENATE FILE

446

BY KUDART

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act establishing a precious metal dealer's license and  
2 providing a penalty.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. It is unlawful to engage in the  
2 business of buying an article of merchandise or ore containing  
3 gold, silver, platinum group metals, or precious stones,  
4 referred to in this Act as "precious metal", for the purpose  
5 of reselling the precious metal without first obtaining a  
6 precious metal dealer's license from the treasurer of state.  
7 However, a person who purchases coins for numismatic purposes  
8 and a supervised financial organization, as defined in section  
9 537.1301 are not required to obtain a license.

10 Sec. 2. NEW SECTION. Each application for a precious  
11 metal dealer's license shall be submitted in writing to the  
12 treasurer of state and shall be in the form prescribed by  
13 the treasurer. The application shall include the name and  
14 address of the applicant and the name and address of the  
15 business the applicant represents. If the applicant represents  
16 a partnership or corporation, the application shall include  
17 the names of the partners or officers of the corporation.  
18 If the business is organized under the laws of another state,  
19 the application shall specify the state in which it is  
20 organized and shall include the out-of-state address of the  
21 business headquarters, if any.

22 Sec. 3. NEW SECTION. The license for a precious metal  
23 dealer expires on June 30 of each year. The annual license  
24 fee is fifty dollars. When a license is issued in the month  
25 of August or in succeeding months, the fee shall be computed  
26 on the basis of one-twelfth of the annual license fee,  
27 multiplied by the number of unexpired months of the license  
28 year, including the month in which the license is issued.  
29 The license may be renewed during the month of June upon  
30 application to the treasurer of state.

31 Sec. 4. NEW SECTION. A person required to be licensed,  
32 pursuant to this Act, shall require a seller of precious metal  
33 from whom the licensee is purchasing to provide a form of  
34 identification before the licensee purchases the precious  
35 metal. The form of identification may include but is not

1 limited to a driver's license or a precious metal dealer's  
2 license from another state. The seller of precious metal  
3 shall sign a statement, provided by the treasurer of state,  
4 indicating that the seller is the owner of the precious metal  
5 or a representative of the owner of the precious metal and  
6 the date, place, and manner the precious metal was obtained.

7 If the person who is selling the precious metal is a minor,  
8 the licensee shall require the seller to provide written  
9 authorization from a parent or legal guardian of the minor  
10 to sell the precious metal. The authorization shall include  
11 the address and phone number of the parent or guardian.

12 The licensee shall post the prices being offered for  
13 precious metal prominently and conspicuously in the place  
14 of business and in a manner likely to be read. The licensee  
15 shall determine the price to be paid to the seller for the  
16 precious metal in the presence of the seller. The  
17 determination of price shall include the measuring of the  
18 weight of the precious metal.

19 Sec. 5. NEW SECTION. Each licensee shall maintain proper  
20 books of account and records on forms provided by the treasurer  
21 of state, of each transaction by the licensee. The recorded  
22 information shall include, but is not limited to, the name,  
23 address, and telephone number of the person the licensee  
24 transacts business with, a description of the precious metal,  
25 and the date and time of the transaction.

26 Each licensee shall provide a copy of the records required  
27 in this section once a week to the law enforcement agency  
28 having jurisdiction of the political subdivision where the  
29 licensee or the business the licensee represents is located.

30 Sec. 6. NEW SECTION. A licensee shall not alter or sell  
31 the precious metal purchased by the licensee for seven days  
32 after the appropriate law enforcement agency receives the  
33 required weekly transaction report from the licensee.

34 If the law enforcement agency has reason to believe a  
35 certain precious metal was not lawfully obtained by the person

1 from whom the licensee purchased the precious metal, the law  
2 enforcement agency may require the licensee to hold the  
3 precious metal for an additional fifteen days. The law  
4 enforcement agency shall provide the licensee with written  
5 notification of the request within the initial seven-day  
6 period.

7 Sec. 7. NEW SECTION. The treasurer of state shall  
8 establish rules, in accordance with chapter 17A, to implement  
9 this Act.

10 Sec. 8. NEW SECTION. A person who violates a provision  
11 of this Act is guilty of a simple misdemeanor. However, if  
12 the value of the transaction of precious metal exceeds five  
13 hundred dollars, a person who violates a provision of this  
14 Act is guilty of a serious misdemeanor.

15 **EXPLANATION**

16 This bill establishes a precious metal dealer's license.  
17 A person who buys an article of merchandise or ore containing  
18 gold, silver, platinum group metals, or precious stones for  
19 the purpose of reselling the item is required to obtain a  
20 license from the treasurer of state. The annual license fee  
21 for the license is fifty dollars.

22 The licensee shall require identification of the person  
23 who is selling the precious metal. The prices for the precious  
24 metals shall be displayed conspicuously. Each licensee shall  
25 maintain records of each transaction.

26 The licensee shall not sell the purchased precious metal  
27 within seven days. A law enforcement agency may extend the  
28 time by an additional fifteen days if the agency has reason  
29 to believe the precious metal was unlawfully obtained.

30 A violation of the Act is a simple misdemeanor. A violation  
31 of a transaction involving five hundred dollars or more is  
32 a serious misdemeanor.

33 The Act takes effect July 1 following its enactment.

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SENATE FILE 446

S-5098

- 1 Amend Senate File 446 as follows:
- 2 1. Page 2, by inserting after line 6 the following:
- 3 "The licensee shall take the thumb print of the
- 4 seller before the transaction takes place. The
- 5 licensee shall take a photo of the precious metal
- 6 and attach both the thumb print and the photo to the
- 7 precious metal."
- 8 2. Page 2, line 31, by striking the word "seven"
- 9 and inserting in lieu thereof the word "ten".
- 10 3. Page 3, line 5, by striking the word "seven-
- 11 day" and inserting in lieu thereof the word "ten-day".

S-5098 FILED

BY RICHARD COMITO

FEBRUARY 15, 1982

*H/D 3/1 (p. 544)*

SENATE FILE 446

S-5099

- 1 Amend Senate File 446 as follows:
- 2 1. Page 2, by inserting after line 6 the following:
- 3 "The licensee shall take the thumb print of the
- 4 seller before the transaction takes place. The
- 5 licensee shall take a photo of the precious metal.
- 6 The photo shall have the name, address, and telephone
- 7 number of the person the licensee transacts business
- 8 with, a description of the precious metal, the date
- 9 and time of the transaction, and the name and address
- 10 of the business the licensee represents.
- 11 Each licensee shall provide the photo and thumbprint
- 12 from each transaction once a week to the law
- 13 enforcement agency having jurisdiction of the political
- 14 subdivision where the licensee or the business the
- 15 licensee represents is located."
- 16 2. Page 2, by striking lines 19 through 29.
- 17 3. Page 2, line 31, by striking the word "seven"
- 18 and inserting in lieu thereof the word "ten".
- 19 4. Page 3, line 5, by striking the word "seven-
- 20 day" and inserting in lieu thereof the word "ten-day".
- 21 5. By renumbering as necessary.

S-5099 FILED

BY RICHARD COMITO

FEBRUARY 15, 1982

*H/D 3/1 (p. 544)*

SENATE FILE 446

S-5054

- 1 Amend Senate File 446 as follows:  
2 1. Page 1, line 7, by inserting after the word  
3 "purposes" the words ", dentists as licensed by law,  
4 or".  
5 2. Page 1, line 8, by striking the word "and".

S-5054 FILED

JANUARY 29, 1982

*Adopted 2/8 (p. 329)*

BY COMMITTEE ON STATE GOVERNMENT  
JOHN N. NYSTROM, CHAIR

SENATE FILE 446

S-5075

- 1 Amend Senate File 446 as follows:  
2 1. Page 1, line 6, by striking the words "treasurer  
3 of state" and inserting in lieu thereof the words  
4 "department of revenue".  
5 2. Page 1, line 12, by striking the words  
6 "treasurer of state" and inserting in lieu thereof  
7 the words "department of revenue".  
8 3. Page 1, line 13, by striking the word  
9 "treasurer" and inserting in lieu thereof the words  
10 "director of revenue".  
11 4. Page 1, by striking line 30, and inserting  
12 in lieu thereof the words "application to the director  
13 of revenue. The fees from a license shall be paid  
14 to the department of revenue."  
15 5. Page 2, line 3, by striking the words "treasurer  
16 of state" and inserting in lieu thereof the words  
17 "department of revenue".  
18 6. Page 2, lines 20 and 21, by striking the words  
19 "treasurer of state" and inserting in lieu thereof  
20 the words "department of revenue".  
21 7. Page 3, line 7, by striking the words "treasurer  
22 of state" and inserting in lieu thereof the words  
23 "department of revenue".

S-5075 FILED & ADOPTED  
FEBRUARY 8, 1982 *(p. 329)*

BY A. R. BUD KUDART

SENATE FILE 446

S-5094

- 1 Amend Senate File 446 as follows:  
2 1. Page 1, line 9, by inserting after the figure  
3 "537.1301" the words ", or a person who makes not  
4 more than five transactions each year".

S-5094 FILED

FEBRUARY 11, 1982

*Adopted 2/15 (p. 327)*

BY RICHARD COMITO  
A. R. BUD KUDART

SENATE FILE 446

S-5269

1 Amend Senate File 446 as follows:  
2 1. Page 1, line 8, by inserting before the words  
3 "a supervised" the following: "a person who is engaged  
4 in the business of buying precious metal and at least  
5 ninety percent of whose gross income is derived from  
6 the sale of newly manufactured merchandise at retail,  
7 a person who sells or purchases property from an  
8 estate through a supervised financial organization  
9 as defined in section 537.1301, an attorney, or an  
10 auction or estate sale, a person who makes out-of-  
11 state purchases transacted through the United States  
12 mails, a person who purchases industrial residue or  
13 by-products from the manufacturer, a person who sells  
14 or purchases monetized bullion, or".

S-5269 FILED

MARCH 16, 1982

*Adopted 3/17 (p. 182)*

BY A.R. BUD KUDART

RICHARD COMITO

SENATE FILE 446

S-5300

1 Amend Senate File 446 as follows:  
2 1. Page 1, line 5, by inserting after the word  
3 "metal" the words "in a different form or outside the  
4 state of Iowa,".

S-5300 FILED

MARCH 18, 1982

BY MICK LURA

SENATE FILE 446

S-5309

1 Amend Senate File 446 as follows:  
2 1. Page 1, line 9, by inserting after the word  
3 "license" the words "and a transaction of fifty dollars  
4 or less is exempt from the provisions of this Act  
5 unless the seller is a minor".

S-5309 FILED

MARCH 18, 1982

BY TOM SLATER

SENATE FILE 446

S-5110

1 Amend Senate File 446 as follows:

2 1. Page 2, by inserting after line 6 the following:

5111 3 "The licensee shall take the thumb print of the  
4 seller before the transaction takes place. The  
5 licensee shall take a photo of the precious metal.  
6 The photo shall have the name, address, and telephone  
7 number of the person the licensee transacts business  
8 with, a description of the precious metal, the date  
9 and time of the transaction, and the name and address  
10 of the business the licensee represents.

5111 11 Each licensee shall provide the photo and thumbprint  
12 from each transaction once a week to the law  
13 enforcement agency having jurisdiction of the political  
14 subdivision where the licensee or the business the  
15 licensee represents is located."

16 2. Page 2, by striking lines 19 through 29.

17 3. Page 2, line 31, by striking the word "seven"  
18 and inserting in lieu thereof the word "ten".

5111 19 4. Page 2, by striking line 33 and inserting in  
20 lieu thereof the following: "photo and thumbprint  
21 taken in connection with the transaction."

22 5. Page 3, line 5, by striking the word "seven-  
23 day" and inserting in lieu thereof the word "ten-day".

24 6. Page 3, by striking lines 10 through 14 and  
25 inserting in lieu thereof the following:

26 "Sec. 8. NEW SECTION. A person who commits a  
27 first violation of this Act is upon conviction, guilty  
28 of a simple misdemeanor and subject to loss of license  
29 for thirty days. A person who commits a subsequent  
30 violation of this Act is upon conviction, guilty of  
31 a serious misdemeanor and subject to permanent loss  
32 of the license issued under this Act."

33 7. By renumbering as necessary.

S-5110 FILED BY RICHARD COMITO

FEBRUARY 17, 1982

*Adopted as amended by 5111 3/1 (p. 544)*

SENATE FILE 446

S-5111

1 Amend the Comito amendment S-5110 to

2 Senate File 446 as follows:

3 1. Page 1, line 3, by striking the words "thumb print"  
4 and inserting in lieu thereof the words "right or left  
5 index fingerprint".

6 2. Page 1, line 11, by striking the word "thumbprint"  
7 and inserting in lieu thereof the words "right or left  
8 index fingerprint".

9 3. Page 1, line 20, by striking the word "thumbprint"  
10 and inserting in lieu thereof the words "right or left  
11 index fingerprint".

S-5111 FILED

FEBRUARY 17, 1982

*Adopted 2/1 (p. 544)*

BY RICHARD COMITO