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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/12

SPONSOR HBIC LAST UPDATED \_\_\_\_\_ HB 354/HBICS

SHORT TITLE Public Peace, Health, Safety & Welfare SB \_\_\_\_\_

ANALYST Hoffmann

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$0.0	\$0.0	\$0.0		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

The House Business and Industry Committee substitute for House Bill 354 (HB354/HBICS) would create the "Precious Metal Buyers Act." The purpose of the act would be to protect victims of jewelry, silverware or similar property theft from untraceable sales of their property by precious metal buyers. The act defines precious metals as gold, silver, platinum, palladium or rhodium.

HB354/HBICS would require a business engaged in the business of purchasing items of precious metal to obtain a permit from the local government where the buyer's place of business is located. A person who has been convicted of a felony would not be eligible for a permit.

A person engaged in the business would have to execute and deliver a bond in the amount of \$10 thousand dollars to the local government where the business is established.

The business permit could be suspended or revoked upon the filing of a written complaint by a local law enforcement agency, a district attorney or the attorney general charging a precious metal buyer, the buyer's agent or employee with a violation of the provisions of the act. Suspension or revocation proceedings would require written notice to the precious metal buyer of the details of the alleged violation and a schedule for a hearing. After the hearing, if the local government authority determines that the precious metal dealer is in violation of the act.

The bill would require a precious metal buyer to create a record for each item of precious metal received or purchased during the preceding day on a form approved by the local law enforcement agency. Included on the report would be a photograph of the item, a description of the seller, and the type of government-issued photo identification presented by the seller. Reports would be delivered to the local law enforcement agency within three days of the transaction.

A precious metal buyer would not be permitted to sell, smelt, melt down, alter or otherwise dispose of an item of precious metal until at least fifteen days after the buyer has received or purchased the item. The buyer would be required to keep a record of the disposition of the item, and for resale items a record of the person or business to whom it was sold.

HB354/HBICS would prohibit a precious metal buyer from:

- entering into a transaction with a person under eighteen or under the influence of intoxicants,
- purchasing or receiving any item of property from which the manufacturer's name plate, serial number or other identification mark has been obviously removed or defaced,
- purchasing or receiving any item of precious metal that the buyer knows is not lawfully owned by the person offering it, or
- requiring that any of the proceeds of the purchase be spent at the precious metal buyer's place of business or in any other manner directed by the precious metal buyer.

Violations of the act would be a misdemeanor, with sentences in accordance with Section 31-19-1 NMSA 1978. Revocation or suspension of the buyer's permit would not bar prosecution of the buyer, nor would criminal prosecution bar proceedings to revoke a buyer's permit.

## **FISCAL IMPLICATIONS**

HB354/HBICS makes no appropriation.

Local governments would be responsible for enacting ordinances and adopting rules for the administration of this act.

## **SIGNIFICANT ISSUES**

Precious metals as the target of theft has a history going as far back as we could record it.

A quick survey of similar legislation shows that laws similar to this are being adopted both to protect crime victims and legitimate dealers in precious metals.

Crime victims and law enforcement would have more time to find and identify stolen items taken to a precious metal dealer.

The protection for local dealers is from those companies who travel between towns, advertising purchase and sale of precious metals and are not subject to local business ordinances because of their transient nature.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 118 and Senate Bill 67 *Secondhand Metal Dealer Requirements* are duplicate bills proposing to license secondhand metal dealers (those not dealing in precious metals).

CH/svb