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FISCAL IMPACT REPORT

SPONSOR Rehm ORIGINAL DATE 01/31/13
LAST UPDATED _____ HB 160
SHORT TITLE Precious Metal Buyers Act SB _____
ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			Minimal	Minimal	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

This bill creates the Precious Metal Buyers Act (Act).

This bill authorizes counties and municipalities to require a permit and bond for any person engaged in the business of purchasing items of precious metals for resale, smelting, melting down or otherwise altering the items (does not include licensed pawnbrokers or jewelry retailers).

Upon obtaining a precious metal buyer permit, the bill requires the permittee to register with the local law enforcement agency. Persons convicted of felonies are not eligible for permits. Local governments are authorized to enact ordinances and adopt rules as necessary for the administration of the act.

The bill requires permittees to complete daily reports for each item of precious metal received or purchased and file the reports with the local law enforcement agency of the transaction and hold items of precious metal for at least fifteen (15) days before being permitted to sell, smelt, melt down or dispose of items after the buyer received or purchased them.

The bill authorizes the issuing local government agency to revoke or suspend a permit issued

pursuant to its provisions after a hearing. If the local government agency determines the permittee is in violation of a provision of the Act, the agency shall issue a written order suspending the permit for a stated period of time or permanently revoking the permit. Permittees who violate the Act also are subject to criminal prosecution. Written complaints alleging a violation of the act may be filed by a local law enforcement agency district attorney or the attorney general against a precious metal buyer or buyer's agent or employee.

FISCAL IMPLICATIONS

Minimal. The bill may require varying expenditure of AGO resources, depending on the number of complaints investigated and prosecuted by the AGO.

SIGNIFICANT LEGAL ISSUES

The AGO points out that no provision addresses the right of a permittee to appeal the decision of a local government authority to revoke or suspend a permit for violations of the act.

ADMINISTRATIVE IMPLICATIONS

The Act requires AGO to consider appropriate intake procedures for handling complaints made pursuant to the act.

AMENDMENTS

The AGO notes that the bill should include a purpose provision to make clear that it is intended to promote and protect the public health, safety, and morals of the citizens of the state and is therefore a valid exercise of the state's police powers.

CEB/bm