

SENATE, No. 2202

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Modifies recordkeeping requirements for secondhand jewelry and precious metal transactions; increases penalties for violations.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning recordkeeping of secondhand jewelry and
2 precious metal transactions and amending P.L.2009, c.214 and
3 P.L.1981, c.96.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 3 of P.L.2009, c.214 (C.2C:21-38) is amended to
9 read as follows:

10 3. a. The requisite knowledge or belief for a violation of
11 N.J.S.2C:20-7 is presumed in the case of a person subject to the
12 provisions of section 1 or 2 of P.L.2009, c.214 (C.2C:21-36 or
13 C.2C:21-37) who purchases any article of used or secondhand
14 jewelry and fails to comply with the requirements of section 1 or 2
15 of P.L.2009, c.214 (C.2C:21-36 or C.2C:21-37), as applicable.

16 b. Notwithstanding the provisions of N.J.S.2C:43-3, a person
17 who violates subsection b., c., or d. of section 1 of P.L.2009, c.214
18 (C.2C:21-36) is a (1) petty disorderly person and shall be fined not
19 less than \$500 or more than \$1,000 for a first offense, and (2)
20 disorderly person and shall be fined not less than \$1,000 or more
21 than \$2,500 for a second or subsequent offense. The penalty
22 imposed under this subsection shall be in addition to any other fine,
23 fee, assessment, or penalty imposed under Title 2C of the New
24 Jersey Statutes.

25 (cf: P.L.2009, c.214, s.3)

26
27 2. Section 1 of P.L.1981, c.96 (C.51:6A-1) is amended to read
28 as follows:

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

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

34 (1) **【His】** The person's name and address;

35 (2) The price being offered or paid by the buyer for precious
36 metals expressed as price per standard measure of weight and
37 fineness as prescribed by the Superintendent of Weights and
38 Measures.

39 b. Include **【his】** the person's name and address in all
40 advertisements concerning such precious metals.

41 c. Weigh the precious metals in plain view of the seller on
42 State certified scales with the certificate of inspection clearly and
43 prominently displayed.

44 d. Test the fineness of precious metals, if any test is so
45 performed, in plain view of the seller.

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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- 1 e. Issue to the seller and keep for **【his】** the buyer's own
2 records, for not less than **【one year】** five years, a serialized receipt
3 for each purchase of precious metals containing the following:
- 4 (1) The name and address of the buyer;
 - 5 (2) Date of the transaction;
 - 6 (3) The names and detailed descriptions of the precious metals
7 purchased;
 - 8 (4) The finenesses of the precious metals purchased;
 - 9 (5) The weights of the precious metals purchased;
 - 10 (6) The prices paid for the precious metals at the standard
11 measures of weight and fineness prescribed by the superintendent;
 - 12 (7) The name, address, and signature of, and a copy of the proof
13 of identity provided by, the seller of the precious metals.
- 14 f. Obtain proof of identity from each person who sells precious
15 metals to **【him】** the buyer by requesting and examining a
16 photograph-bearing valid State or federal issued driver's license or
17 other government issued form of photo identification.
- 18 g. Retain any precious metals in the form in which they were
19 purchased for a period of not less than **【two】** 10 business days **【,**
20 minimum 48 hours】 following the delivery of the record of the
21 purchase of those precious metals to the seller, as required by
22 subsection e. of this section.
- 23 Precious metals in the form of used or secondhand jewelry shall
24 be retained by the buyer for not less than 10 business days
25 following the delivery of the record of the purchase of that jewelry
26 to the local police department, as required by subsection c. of
27 section 1 of P.L.2009, c.214 (C.2C:21-36), provided, however, that
28 a municipal ordinance adopted prior to the effective date of
29 P.L.2009, c.214 (January 16, 2010) may provide a longer minimum
30 length of time to retain possession of used or secondhand jewelry.
- 31 h. Upon reasonable request, allow the inspection of the
32 serialized receipts **【or】** , precious metals , bonds, or digital
33 photographs provided for in subsections e. **【and】** , g. , i., and j.
34 respectively of this section by any law enforcement officer or
35 weights and measures official.
- 36 i. Obtain a bond in an amount and form prescribed by
37 regulations of the Office of Weights and Measures. The bond shall
38 be obtained from a surety company authorized by law to do
39 business in this State. The bond shall run to the State for the
40 benefit of any person injured by the wrongful act, default, fraud, or
41 misrepresentation of the buyer of precious metals. **【No】** A bond
42 shall not comply with the requirements of this subsection unless the
43 bond contains a provision that it shall not be cancelled for any cause
44 unless notice of intention to cancel is filed in the Office of Weights
45 and Measures at least 30 days before the day upon which
46 cancellation shall take effect. This subsection shall only apply to
47 transient buyers.

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1 j. Maintain, for not less than one year, digital photographs of
2 the precious metals purchased.

3 (cf: P.L.2013, c.247, s.1)

4
5 3. Section 3 of P.L.1981, c.96 (C.51:6A-3) is amended to read
6 as follows:

7 3. Any person who violates any provision of **[this act]**
8 P.L.1981, c.96 (C.51:6A-1 et seq.) shall be liable to a mandatory
9 civil penalty of not less than \$500 **[nor]** or more than \$1,000 for a
10 first offense. A person who commits a second or subsequent
11 offense is a petty disorderly person. In addition to the conviction
12 for a petty disorderly persons offense, a person who commits a
13 second or subsequent offense shall be subject to a mandatory civil
14 penalty of not less than \$1,000 or more than \$2,500. The
15 mandatory civil penalty shall be recoverable by the Superintendent
16 of Weights and Measures pursuant to the provisions of the "Penalty
17 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
18 An action for the recovery of a civil penalty for a violation of **[this**
19 **act]** P.L.1981, c.96 (C.51:6A-1 et seq.) shall be within the
20 jurisdiction of and may be brought before the Superior Court or
21 municipal court in the municipality where the offense is committed
22 **[or]** , where the defendant resides, or where the defendant may be
23 apprehended.

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

26 (cf: P.L.2013, c.126, s.1)

27
28 4. This act shall take effect on the first day of the fourth month
29 next following the date of enactment, but the Attorney General may
30 take any anticipatory action in advance of that date as may be
31 necessary for the implementation of this act.

32
33
34 STATEMENT

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36 This bill modifies recordkeeping laws related to the sale of
37 precious metals to make them consistent with the requirements for
38 secondhand jewelry transactions, and increases the penalties imposed
39 on secondhand jewelry and precious metal buyers who violate certain
40 recordkeeping laws.

41 Under current law, the retention periods for precious metal
42 transactions are shorter than those required for jewelry retailers,
43 wholesalers, and smelters who purchase used or secondhand jewelry.
44 Currently, buyers are required to retain detailed records of precious
45 metal transactions for a period of one year and are required to retain
46 the precious metals in the form they were purchased for a period of

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1 two days. A person who violates these provisions is subject to a
2 mandatory penalty of between \$500 and \$1,000.

3 Current law requires jewelry retailers, wholesalers, and smelters to
4 maintain detailed records of all secondhand jewelry they purchase for
5 five years, and deliver a copy of these records to the local police
6 department each week. The jewelry may not be sold until 10 business
7 days after the records are delivered. A person who violates these
8 record-keeping provisions is presumed to have the requisite knowledge
9 or belief for a violation of N.J.S.2C:20-7, which prohibits the receipt
10 of stolen property. Currently, there is no specific penalty for violating
11 these recordkeeping requirements when knowledge of the receipt of
12 stolen property under N.J.S.2C:20-7 is not established.

13 The bill requires precious metal buyers to verify the identity of a
14 seller by examining a driver's license or other government-issued form
15 of photograph identification, as required for used and secondhand
16 jewelry purchases. In addition, the bill extends the period of time that
17 records for precious metal purchases are required to be retained to five
18 years, and the period of time precious metals are to be retained in the
19 form in which they were purchased to 10 days. The bill further
20 provides that the retention period for precious metals in the form of
21 used and secondhand jewelry begins following the delivery of the
22 record of purchase to the local police department, as required for used
23 or secondhand jewelry, unless a municipal ordinance adopted prior to
24 January 16, 2010 provides for a longer retention period.

25 The bill also increases the penalties for a violation of the
26 recordkeeping requirements for precious metal purchases. Under the
27 bill, the same mandatory civil penalty would continue to be imposed
28 on first-time offenders. However, a subsequent violation would
29 constitute a petty disorderly persons offense, which is punishable by a
30 fine of up to \$500, imprisonment for up to 30 days, or both.
31 Subsequent violations also would be punishable by an additional
32 mandatory civil penalty of not less than \$1,000 or more than \$2,500.
33 These penalties are in addition to any other fines or penalties that may
34 be imposed under the State's criminal code.

35 The bill also establishes penalties for violating the recordkeeping
36 requirements for used and secondhand jewelry, which are consistent
37 with the increased penalties established under the bill for precious
38 metal transactions.