

ARTICLE VI. - PRECIOUS METAL AND GEM DEALERS ^[37]

Sec. 8-351. - Definitions.

Sec. 8-352. - Certificate of registration.

Sec. 8-353. - Permanent record of each transaction.

Sec. 8-354. - Retaining **precious** item for nine calendar days; alteration.

Sec. 8-355. - Prohibited conduct.

Secs. 8-356—8-380. - Reserved.

Sec. 8-351. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Agent or employee means a person who, for compensation or valuable consideration, is employed either directly or indirectly by a dealer.

Dealer means any person, corporation, partnership, or association, which, in whole or in part, engages in the ordinary course of repeated and recurrent transactions of buying or receiving **precious** items from the public within this state.

Gold means elemental gold having an atomic weight of 196.967 and the chemical element symbol of Au, whether found by itself or in combination with its alloys or any other **metal**.

Jewelry means an ornamental item made of a material that includes a **precious** gem.

Platinum means elemental platinum having an atomic weight of 195.09 and the chemical element symbol of Pt, whether found by itself or in combination with its alloys or any other **metal**.

Precious gem means a diamond, alexandrite, ruby, sapphire, opal, amethyst, emerald, aquamarine, Morganite, garnet, jadeite, topaz, tourmaline, turquoise, or pearl.

Precious item means jewelry, a **precious** gem, or an item containing gold, silver, or platinum. **Precious** item does not include the following:

- (1) Coins, commemorative medals, and tokens struck by, or in behalf of, a government or private mint.
- (2) Bullion bars and discs of the type traded by banks and commodity exchanges.
- (3) Items at the time they are purchased directly from a dealer registered under this act, a manufacturer, or a wholesaler who purchased them directly from a manufacturer.
- (4) Industrial machinery or equipment.
- (5) An item being returned to or exchanged at the dealer where the item was purchased and which is accompanied by a valid sales receipt.
- (6) An item which is received for alteration, redesign, or repair in a manner that does not substantially change its use and returned directly to the customer.
- (7) An item which does not have a jeweler's identifying mark or a serial mark and which the dealer purchases for less than \$5.00.
- (8) Scrap **metal** which contains incidental traces of gold, silver, or platinum which are recoverable as a by-product.
- (9) Jewelry which a customer trades for other jewelry having a greater value, and which difference in value is paid by the customer.

Silver means elemental silver having an atomic weight of 107.869 and the chemical element symbol of Ag, whether found by itself or in combination with its alloys or any other **metal**.

State law reference— Similar definitions, MCL 445.482.

Sec. 8-352. - Certificate of registration.

- (a) A dealer shall not conduct business in the city unless the dealer has obtained a valid certificate of registration from the police department.
- (b)

A dealer shall apply to the police department for a certificate of registration, and pay a fee of \$50.00 to cover the reasonable cost of processing and issuing the certificate of registration, by disclosing the following information:

(1)

The name, address, and thumbprint of the applicant.

(2)

The name and address under which the applicant does business.

(3)

The name, address, and thumbprint of all agents or employees of the dealer. Within 24 hours after hiring a new employee, the dealer shall forward to the police department the name, address, and thumbprint of the new employee.

(c)

A dealer or an agent or employee of a dealer who is convicted of a misdemeanor under this article or under section 535 of Public Act No. 328 of 1931 (MCL 750.535) shall not be permitted to operate as a dealer for a period of one year after conviction.

(d)

A dealer or an agent or employee of a dealer who is convicted of a felony under the act from which this article derived or under section 535 of Public Act No. 328 of 1931 (MCL 750.535), shall not be permitted to operate as a dealer article for a period of five years after the conviction.

(e)

This article shall not be construed to excuse a dealer from complying with the local zoning ordinance or any local ordinance regulating commercial activities.

(f)

Upon receipt of the application described in subsection (b) of this section, the police department shall issue a certificate of registration in accordance with this section.

(g)

Upon receipt of the certificate of registration from the police department, the dealer shall post it in a conspicuous place in the dealer's place of business.

(h)

Not less than ten days before a dealer changes the name or address under which the dealer does business, the dealer shall notify the police department of the change.

(Code 1979, § 5.38.010)

State law reference— Similar provisions, MCL 445.483.

Sec. 8-353. - Permanent record of each transaction.

(a)

A dealer shall maintain a permanent record of each transaction, on record of transaction forms provided for in subsection (f) of this section, legibly written in ink in

the English language. Each record of transaction form shall be filled out in quadruplicate by the dealer or agent or employee of the dealer. One copy of the form shall go to the police department pursuant to subsection (c) of this section; one copy shall go to the customer; and one copy shall be retained by the dealer pursuant to subsection (e) of this section. At the time a dealer receives or purchases a **precious** item, the dealer or the agent or employee of the dealer shall ensure that the following information is recorded accurately on a record of transaction form:

(1)

The dealer certificate of registration number.

(2)

A general description of the **precious** item or **precious** items received or purchased, including the type of **metal** or **precious** gem. In the case of watches, the description shall contain the name of the maker and the number of both the works and the case. In the case of jewelry, all letters and marks inscribed on the jewelry shall be included in the description.

(3)

The date of the transaction.

(4)

The name of the person conducting the transaction.

(5)

The name, date of birth, driver's license number or state personal identification card number, and street and house number of the customer, together with a legible imprint of the right thumb of the customer, or if that is not possible, of the left thumb or a finger of the customer. However, the thumbprint or fingerprint shall only be required on the record of transaction form retained by the dealer. The thumbprint or fingerprint shall be made available to a police department during the course of a police investigation involving a **precious** item or items described on the record of transaction. After a period of one year from the date of the record of transaction, if a police investigation concerning a **precious** item or items described on the record of transaction has not occurred, the dealer and the police department holding a copy of the record of transaction shall destroy, and not keep a permanent record of, the record of transaction. A dealer who goes out of business or changes his or her business address to another local jurisdiction either within or out of this state shall transmit the records of all transactions made by the dealer within one year before his or her closing or moving, to the police department.

(6)

The price to be paid by the dealer for the **precious** item or **precious** items.

(7)

The form of payment made to the customer: check, money order, bank draft, or cash. If the payment is by check, money order, or bank draft, the dealer shall indicate the number of the check, money order, or bank draft.

(8)

The customer's signature.

(b)

The record of each transaction shall be numbered consecutively, commencing with the number one and the calendar year.

(c)

Within 48 hours after receiving or purchasing a **precious** item, the dealer shall send a copy of the record of transaction form to the police department and, if the record of transaction form indicates that the customer resides outside the jurisdiction of the police department, shall send a copy of the record of transaction form to the police agency of the city, village, or township in which the customer resides as set forth on the record of transaction, or, if that city, village, or township does not have a police agency, to the sheriff's department of the county in which the customer resides as set forth on the record of transaction. The record of transaction forms received by the police department shall not be open to inspection by the general public. The police department holding record of transaction forms shall be responsible for insuring the confidentiality of the record of transaction forms and insuring that the record of transaction forms are used only for the purpose for which they were received.

(d)

The record of transaction forms of a dealer and each **precious** item received shall be open to an inspection by the county prosecuting attorney, the police department, the police agency or sheriff's department of the local governmental unit in which the customer resides, and the state police, at all times during the ordinary business hours of the dealer. As a condition of doing business, a dealer is considered to have given consent to the inspection prescribed by this subsection. The record of transaction forms of a dealer shall not be open to inspection by the general public.

(e)

Except as otherwise provided in this section, each record of a transaction shall be retained by the dealer for not less than one year after the transaction to which the record pertains.

(f)

The form of the record of transaction shall have an 8½-inch by 11-inch size and shall be as follows:

Record of Transaction	
Dealer Certificate # _____ (Printed on the Form)	# _____ (Transaction number printed on the form)

(1)	Description of Property— _____ _____ _____ _____	
(2)	_____, <u>19</u> (Date)	(3) _____ (Name of Dealer/Employee)
(4)	_____ (Name of Customer)	<u>19</u> (Date of Birth)
	_____ (Driver's license No./Mich. Personal ID Number)	_____ (Street Address)
		_____ _____
		(City & State) (Zip)
(5)	_____ (Price Paid)	_____ (County of Residence)
(6)	_____ (Check no., bank draft no., money order no., or cash)	
_____ (Name of police agency or city, village, or township in which customer resides)		
	Thumbprint	_____ (Signature of Customer)

(g)

As used in this section, "customer" means the person from whom the dealer or the agent or employee of the dealer receives or purchases a **precious** item.

State law reference— Similar provisions, MCL 445.484.

Sec. 8-354. - Retaining **precious item for nine calendar days; alteration.**

A **precious** item received by a dealer shall be retained by the dealer for nine calendar days after it was received, without any form of alteration other than that required to make an accurate appraisal of its value.

State law reference— Similar provisions, MCL 445.485.

Sec. 8-355. - Prohibited conduct.

A dealer or an agent or employee of a dealer shall not:

(1)

Knowingly receive or purchase a **precious** item from any person who is less than 18 years of age or any person known by the dealer or agent or

employee of the dealer to have been convicted of theft or receipt of stolen property within the preceding five years, whether the person is acting in his or her own behalf or as the agent of another.

(2)

Knowingly receive or purchase a **precious** item from a person unless that person presents a valid driver's license or a valid state personal identification card.

State law reference— Similar provisions, MCL 445.486.

Secs. 8-356—8-380. - Reserved.

FOOTNOTE(S):

⁽³⁷⁾ *State Law reference— **Precious metal** and gem dealer act, MCL 445.481. [\(Back\)](#)*