

2013 DRAFTING REQUEST

Bill

Received: **9/10/2013** Received By: **mkunkel**
Wanted: **As time permits** Same as LRB: **-3843**
For: **Debra Kolste (608) 266-7503** By/Representing: **herself**
May Contact: **Sen. Cullen (Stan Milam)** Drafter: **mkunkel**
Subject: **Trade Regulation - other** Addl. Drafters:
Extra Copies: **MPG**

Submit via email: **YES**
Requester's email: **Rep.Kolste@legis.wisconsin.gov**
Carbon copy (CC) to: **stan.milam@legis.wi.gov**
Sen.Cullen@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Secondhand jewelry dealers

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mkunkel 9/12/2013			_____			
/P1	mkunkel 9/18/2013	kfollett 9/12/2013	jmurphy 9/13/2013	_____	mbarman 9/13/2013		State S&L
/1	mkunkel	kfollett	phenry	_____	srose		State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
	12/9/2013	9/18/2013	9/18/2013	_____	9/18/2013		S&L
/2		kfollett 12/13/2013	rschluet 12/13/2013	_____	srose 12/13/2013	sbasford 1/9/2014	State S&L

FE Sent For:

*at
intro*

<END>

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/1		kfollett 12/5 12/13	phenry 12/6f 12/13		srose		State

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11kf
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/?	mkunkel	1/1/13 9/12	jm 9/13	jm + ves 9/13			

FE Sent For:

<END>

Kunkel, Mark

From: Gallagher, Michael
Sent: Wednesday, August 28, 2013 12:30 PM
To: Engelbert, Steve
Cc: Kolste, Debra; Kunkel, Mark
Subject: RE: Meeting with Rep. Debra Kolste

Steve: This is a trade regulation draft, so you did contact the appropriate drafting attorney. I can attend the meeting on Sept. 5 at 9 AM. I am including Mark Kunkel on this e-mail because he also drafts in trade regulation.

See you on the 5th.

Thanks.

Mike

Michael P. Gallagher
Legislative Attorney
Wisconsin Legislative Reference Bureau
1 East Main Street, Suite 200
P.O. Box 2037
Madison, WI 53701-2037
(608) 267-7511
michael.gallagher@legis.wisconsin.gov

Thurs 9am meeting

From: Engelbert, Steve
Sent: Wednesday, August 28, 2013 12:22 PM
To: Gallagher, Michael
Cc: Kolste, Debra
Subject: Meeting with Rep. Debra Kolste

Mr. Gallagher:

Rep. Kolste would like to meet with you or another appropriate drafter to discuss a bill to license and regulate businesses that buy jewelry that contains gold and silver. "We buy gold" stores. If possible, she would like the meeting to take place in her office, 8 North, on Thursday, Sept. 5 at 9 a.m.

Will that work? If not, we will work something else out.

Steve Engelbert
Office of Representative Debra Kolste
8 North, State Capitol
(608) 266-7503

Kunkel, Mark

From: Gallagher, Michael
Sent: Thursday, September 05, 2013 3:07 PM
To: Kunkel, Mark
Subject: RE: Kolste/Cullen request

I think that covers it.

From: Kunkel, Mark
Sent: Thursday, September 05, 2013 2:55 PM
To: Gallagher, Michael
Subject: Kolste/Cullen request

Based on our meeting this morning with Rep. Kolste and Stan Milam of Sen. Cullen's office, below are instructions for a new draft based on Sen. Cullen's 13-2970/1. Please review and let me know if you have anything to correct or add.

1. Require that municipalities require secondhand jewelry dealer's to participate in an electronic reporting system for transactions. Under current law, municipalities may, but are not required to, require submission of electronic reports. After submission, the holding period for secondhand jewelry should be 28 days. As a result, all secondhand jewelry will have to be held for 28 days, and there won't be different time periods that are dependent on whether or not the municipality requires an electronic report.

2. Require "participation" in electronic reporting, which should give the municipality the discretion to determine how a dealer participates. There is a concern that a small "mom and pop" store might not have the equipment to make an electronic report itself. Therefore, a municipality could require participation by requiring that the store submit information that the municipality (or local law enforcement) needs to make the electronic report, rather than requiring the store to make the electronic report. Or a municipality could decide to require that all stores make the electronic reports themselves. In any event, the draft should give the municipality this option.

3. The electronic report should be made for the entire piece of jewelry. The concern is that a dealer might remove gold from a piece and make a report referring to the piece without referring to the gold, which would not be useful to law enforcement. It also appears the reports involve photographing pieces, so the concern is that the entire piece be photographed, not the piece with the gold removed. NOTE: Stan referred to the filing of the report as "registration."

✓ 4. Amend definition of "secondhand jewelry dealer" to refer to components of the jewelry. Under current law, a gold dealer might argue that it does not deal in jewelry, but only in the gold or precious metal (i. e., component) that is removed from jewelry. I don't know how strong that argument is, or if it is even made, but we should address it.

✓ 5. Amend the exception to the smelter exception to the definition of "secondhand jewelry dealer" so that it refers to dealers with purchasing operations open to the public, in addition to the current law reference to retail operations open to the public. The concern is that dealers who only buy gold might argue that they don't sell anything to the public, and therefore do not have a retail operation.

6. Eliminate treatment of precious metal dealers that I added to 13-2970/1, which I based on Madison's city ordinance. The bill should be concerned about gold and precious metals removed from jewelry, not gold or silver coins or bullion. Leave the coin/bullion exception to the holding period requirements alone.



tyf

NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

~~By WEP
9-18~~

needed
9/13

IN 9-12

Gen

1 AN ACT ...; relating to: secondhand jewelry transactions.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 134.71 (1) (c) of the statutes is amended to read:

3 134.71 (1) (c) "Jewelry" means any tangible personal property ordinarily
4 wearable on the person and consisting in whole or in part of any metal, mineral or
5 gem customarily regarded as precious or semiprecious, and includes any component
6 of such tangible personal property.

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

7 SECTION 2. 134.71 (1) (h) 3. of the statutes is amended to read:

8 134.71 (1) (h) 3. Any transaction entered into by a person while engaged in a
9 business of smelting, refining, assaying or manufacturing precious metals, gems, or

1 valuable articles if the person has no retail purchasing, selling, receiving, or
2 exchanging operation open to the public.

3 **History:** 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191. ✓

3 **SECTION 3.** 134.71 (8) (c) 1. of the statutes is amended to read:

4 134.71 (8) (c) 1. Except as provided in subd. 2. and par. (e) 3. ✓, for each
5 transaction of purchase, receipt or exchange of any secondhand article or
6 secondhand jewelry from a customer, a pawnbroker, secondhand article dealer or
7 secondhand jewelry dealer shall require the customer to complete and sign, in ink,
8 the appropriate form provided under sub. (12). No entry on such a form may be
9 erased, mutilated or changed. The pawnbroker, secondhand article dealer or
10 secondhand jewelry dealer shall retain an original and a duplicate of each form for
11 not less than one year after the date of the transaction except as provided in par. (e) ✓
12 and during that period shall make the duplicate available to any law enforcement
13 officer for inspection at any time that the pawnbroker's, secondhand article dealer's,
14 or secondhand jewelry dealer's principal place of business is open to the public or at
15 any other reasonable time.

16 **History:** 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191. ✓

16 **SECTION 4.** 134.71 (8) (c) 2. of the statutes is amended to read:

17 134.71 (8) (c) 2. For every secondhand article purchased, received or exchanged
18 by a secondhand article dealer from a customer off the secondhand article dealer's
19 premises or consigned to the secondhand article dealer for sale on the secondhand
20 article dealer's premises, the secondhand article dealer shall keep a written
21 inventory. In this inventory the secondhand article dealer shall record the name and
22 address of each customer, the date, time and place of the transaction and a detailed
23 description of the article which is the subject of the transaction, including the
24 article's serial number and model number, if any. The customer shall sign his or her

1 name on a declaration of ownership of the secondhand article identified in the
2 inventory and shall state that he or she owns the secondhand article. The
3 secondhand article dealer shall retain an original and a duplicate of each entry and
4 declaration of ownership relating to the purchase, receipt or exchange of any
5 secondhand article for not less than one year after the date of the transaction except
6 as provided in par. (e) 1, and shall make duplicates of the inventory and declarations
7 of ownership available to any law enforcement officer for inspection at any time that
8 the secondhand article dealer's principal place of business is open to the public or at
9 any other reasonable time.

10 **History:** 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 5. 134.71 (8) (d) 1. of the statutes is amended to read:

11 134.71 (8) (d) 1. Except as provided in subds. 3m. and 5., any secondhand article
12 ~~or secondhand jewelry~~ purchased or received by a pawnbroker shall be kept on the
13 pawnbroker's premises or other place for safekeeping for not less than 30 days after
14 the date of purchase or receipt, unless the person known by the pawnbroker to be the
15 lawful owner of the secondhand article ~~or secondhand jewelry~~ recovers it.

16 **History:** 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 6. 134.71 (8) (d) 3. of the statutes is amended to read:

17 134.71 (8) (d) 3. Except as provided in ~~subds. 3m. and subd. 5.~~, any secondhand
18 jewelry purchased or received by a pawnbroker or secondhand jewelry dealer shall
19 be kept on the pawnbroker's or secondhand jewelry dealer's premises or other place
20 for safekeeping for not less than 21 28 days after the date of ~~purchase or receipt that~~
21 the pawnbroker or secondhand jewelry dealer makes a report regarding the
22 secondhand jewelry under par. (e) 2. or, if applicable, the date specified in a notice
23 provided by a law enforcement agency under par. (e) 2.

24 **History:** 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 7. 134.71 (8) (d) 3m. of the statutes is amended to read:

134.71 (8) (d) 3m. If a pawnbroker, ~~or secondhand article dealer, or secondhand jewelry dealer~~ is required to submit a report under par. (e) 1. concerning a secondhand article ~~or secondhand jewelry~~ purchased or received by the pawnbroker, ~~or secondhand article dealer, or secondhand jewelry dealer~~ and the report is required to be submitted in an electronic format, the secondhand article ~~or secondhand jewelry~~ shall be kept on the pawnbroker's, ~~or secondhand article dealer's, or secondhand jewelry dealer's~~ premises or other place for safekeeping for not less than 7 days after the report is submitted.

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 8. 134.71 (8) (e) (title) of the statutes is amended to read:

134.71 (8) (e) (title) ~~Report to law~~ Law enforcement agency reports.

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 9. 134.71 (8) (e) of the statutes is renumbered 134.71 (8) (e) 1. and amended to read:

134.71 (8) (e) 1. ~~Within~~ Except as provided in subd. 3., within 24 hours after purchasing or receiving a secondhand article or secondhand jewelry, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall make available, for inspection by a law enforcement officer, the original form completed under par. (c) 1. or the inventory under par. (c) 2., whichever is appropriate. Notwithstanding s. 19.35 (1), a law enforcement agency receiving the original form or inventory or a declaration of ownership may disclose it only to another law enforcement agency.

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

SECTION 10. 134.71 (8) (e) 2. of the statutes is created to read:

134.71 (8) (e) 2. The law enforcement agency of a county or municipality shall require each pawnbroker and secondhand jewelry dealer licensed by the county or municipality to participate in a system specified by the county or municipality for electronically reporting each transaction of purchase, receipt, or exchange of

Handwritten notes: "e" and "2" in a circle, and "LPS: remove rev bars" written across the top left.

1 secondhand jewelry from a customer. The law enforcement agency may specify a
 2 system only if the system provides for digitally photographing each item or
 3 component of secondhand jewelry that is subject to a transaction. The law
 4 enforcement agency may require that a pawnbroker or secondhand jewelry dealer
 5 directly report transactions to the system or provide information or make other
 6 arrangements necessary for the law enforcement agency to report transactions to the
 7 system on behalf of the pawnbroker or secondhand jewelry dealer. If a law
 8 enforcement agency makes reports on behalf of a pawnbroker or secondhand jewelry
 9 dealer, the law enforcement agency shall provide notice to the pawnbroker or
 10 secondhand jewelry dealer of the ~~date~~ on which the law enforcement agency reports
 11 a transaction to the system.

12 **SECTION 11.** 134.71 (8) (e) 3. of the statutes is created to read:

13 134.71 (8) (e) 3. If a law enforcement agency determines that compliance with
 14 subd. 2. renders compliance with any requirement regarding secondhand jewelry
 15 under par. (c) 1. or subd. 1. unnecessary, the law enforcement agency may waive
 16 compliance with the requirement and provide written notice of the waiver to
 17 pawnbrokers and secondhand jewelry dealers ^{who} ~~that~~ are subject to the law
 18 enforcement agency's jurisdiction.

19 **SECTION 12. Initial applicability.**

20 (1) The treatment of sections 134.71 (1) (c), (h) 3. and (8) (c) 1., (d) 1., 3., and
 21 3m. ^{of the statutes} ~~and (e) 1. and 2.~~ of the statutes first applies ^{key} to purchases, receipts, exchanges,
 22 and other transactions that occur on the effective date of this subsection.

23 **SECTION 13. Effective date.**

the renumbering and amendment of section 134.71 (8) (e) of the statutes, and the creation of section 134.71 (8) (e) 2. ~~of~~

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3116/P1dn
MDK...
gf

Date

Rep. Kolste:

Please review this draft to make sure it achieves your intent. I have also provided a copy of the draft to Sen. Cullen's office. After the draft is finalized, I will prepare companion bills for you and Sen. Cullen. Please note the following about the draft:

1. The draft amends the definition of "jewelry" to include components of jewelry. This change ensures that a person who deals in gold or other components that are removed from secondhand jewelry is considered a "secondhand jewelry dealer" who must comply with the draft.

2. Current law includes an exemption from secondhand jewelry dealer regulation for a person who smelts precious metals but does not have a retail operation open to the public. This exemption could apply to a person ^{who} ~~that~~ purchases gold from the public without making retail sales to the public. This bill changes the exemption so that it applies only if the person does not have a purchasing, selling, receiving, or exchanging operation open to the public.

3. The draft requires the law enforcement agency of a city, village, or town (municipality) or county to require secondhand jewelry dealers licensed by the municipality or county to participate in an electronic reporting system that involves digitally photographing each item or component of jewelry that is subject to a transaction. Is the digital photography requirement okay? Also, the law enforcement agency can require a pawnbroker or secondhand jewelry dealer to report transactions to the system. Alternatively, the law enforcement agency can make reports on behalf of a pawnbroker or secondhand jewelry dealer. Is that okay?

4. The draft requires pawnbrokers and secondhand jewelry dealers to hold secondhand jewelry for not less than 28 days after the pawnbroker or secondhand jewelry dealer makes an electronic report about the transaction. However, if a law enforcement agency makes a report on behalf of a pawnbroker or secondhand jewelry dealer, the law enforcement agency must tell the pawnbroker or secondhand jewelry dealer the date of the report, and the pawnbroker or secondhand jewelry dealer must hold the secondhand jewelry for not less than 28 days after that date.

5. Under current law, pawnbrokers and secondhand jewelry dealers must maintain written records of transactions and make those records available to law enforcement.

I don't know whether the electronic reporting under the draft will render those written records unnecessary. To deal with this issue, the draft allows a law enforcement agency to waive the written record requirements for secondhand jewelry. See proposed s. 134.71 (8) (e) 3. Is that okay, or do you want to either maintain or eliminate the written record requirements?

X 6. I delayed the effective date by approximately ^{six}6 months to give law enforcement agencies time to implement the bill. Is that delay okay?

7. Current law allows municipalities and counties to enact ordinances that are at least as stringent as s. 134.71. It is possible that a county ordinance could conflict with the ordinance of a municipality located in the county, but I do not know whether any conflicts have occurred. If you are interested in addressing this issue, let me know.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3116/P1dn
MDK:kjf:jm

September 13, 2013

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Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

Kunkel, Mark

From: Milam, Stan
Sent: Monday, September 16, 2013 11:19 AM
To: Kunkel, Mark
Subject: Kolste gold draft

Hi Mark,

I have two questions regarding the draft and drafter's notes. Can you explain the potential county conflict and what could be included to resolve it? Also, did you have a chance to check the Minnesota legislation to see if there is anything there we should include?

Thanks,
Stan

Stan Milam
District Director
Office of State Senator Tim Cullen
608.921.7759
stan.milam@legis.wi.gov

*I spoke with Stan
and draft is okay as is,
except I should resolve
county issue
- MDR*



NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*12
9-18*

*Friday
9-20*

INSERT A
gen cut

1 AN ACT ~~to renumber and amend~~ 134.71 (8) (e); **to amend** 134.71 (1) (c), 134.71
2 (1) (h) 3., 134.71 (8) (c) 1., 134.71 (8) (c) 2., 134.71 (8) (d) 1., 134.71 (8) (d) 3.,
3 134.71 (8) (d) 3m. and 134.71 (8) (e) (title); and **to create** 134.71 (8) (e) 2. and
4 134.71 (8) (e) 3. of the statutes; **relating to:** secondhand jewelry transactions.

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.~~

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

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5 SECTION 1. 134.71 (1) (c) of the statutes is amended to read:
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7 wearable on the person and consisting in whole or in part of any metal, mineral or
8 gem customarily regarded as precious or semiprecious, and includes any component
9 of such tangible personal property.

1 **SECTION 2.** 134.71 (1) (h) 3. of the statutes is amended to read:

2 134.71 (1) (h) 3. Any transaction entered into by a person while engaged in a
3 business of smelting, refining, assaying or manufacturing precious metals, gems, or
4 valuable articles if the person has no retail purchasing, selling, receiving, or
5 exchanging operation open to the public.

6 **SECTION 3.** 134.71 (8) (c) 1. of the statutes is amended to read:

7 134.71 (8) (c) 1. Except as provided in subd. 2. and par. (e) 3., for each
8 transaction of purchase, receipt or exchange of any secondhand article or
9 secondhand jewelry from a customer, a pawnbroker, secondhand article dealer or
10 secondhand jewelry dealer shall require the customer to complete and sign, in ink,
11 the appropriate form provided under sub. (12). No entry on such a form may be
12 erased, mutilated or changed. The pawnbroker, secondhand article dealer or
13 secondhand jewelry dealer shall retain an original and a duplicate of each form for
14 not less than one year after the date of the transaction except as provided in par. (e)
15 1., and during that period shall make the duplicate available to any law enforcement
16 officer for inspection at any time that the pawnbroker's, secondhand article dealer's,
17 or secondhand jewelry dealer's principal place of business is open to the public or at
18 any other reasonable time.

19 **SECTION 4.** 134.71 (8) (c) 2. of the statutes is amended to read:

20 134.71 (8) (c) 2. For every secondhand article purchased, received or exchanged
21 by a secondhand article dealer from a customer off the secondhand article dealer's
22 premises or consigned to the secondhand article dealer for sale on the secondhand
23 article dealer's premises, the secondhand article dealer shall keep a written
24 inventory. In this inventory the secondhand article dealer shall record the name and
25 address of each customer, the date, time and place of the transaction and a detailed

1 description of the article which is the subject of the transaction, including the
2 article's serial number and model number, if any. The customer shall sign his or her
3 name on a declaration of ownership of the secondhand article identified in the
4 inventory and shall state that he or she owns the secondhand article. The
5 secondhand article dealer shall retain an original and a duplicate of each entry and
6 declaration of ownership relating to the purchase, receipt or exchange of any
7 secondhand article for not less than one year after the date of the transaction except
8 as provided in par. (e) 1., and shall make duplicates of the inventory and declarations
9 of ownership available to any law enforcement officer for inspection at any time that
10 the secondhand article dealer's principal place of business is open to the public or at
11 any other reasonable time.

12 **SECTION 5.** 134.71 (8) (d) 1. of the statutes is amended to read:

13 134.71 (8) (d) 1. Except as provided in subds. 3m. and 5., any secondhand article
14 ~~or secondhand jewelry~~ purchased or received by a pawnbroker shall be kept on the
15 pawnbroker's premises or other place for safekeeping for not less than 30 days after
16 the date of purchase or receipt, unless the person known by the pawnbroker to be the
17 lawful owner of the secondhand article ~~or secondhand jewelry~~ recovers it.

18 **SECTION 6.** 134.71 (8) (d) 3. of the statutes is amended to read:

19 134.71 (8) (d) 3. Except as provided in ~~subds. 3m. and subd. 5.~~, any secondhand
20 jewelry purchased or received by a pawnbroker or secondhand jewelry dealer shall
21 be kept on the pawnbroker's or secondhand jewelry dealer's premises or other place
22 for safekeeping for not less than ~~21~~ 28 days after the date of ~~purchase or receipt that~~
23 the pawnbroker or secondhand jewelry dealer makes a report regarding the
24 secondhand jewelry under par. (e) 2. or, if applicable, the date specified in a notice
25 provided by a law enforcement agency under par. (e) 2.

1 **SECTION 7.** 134.71 (8) (d) 3m. of the statutes is amended to read:

2 134.71 (8) (d) 3m. If a pawnbroker, or secondhand article dealer, ~~or secondhand~~
3 ~~jewelry dealer~~ is required to submit a report under par. (e) 1. concerning a
4 secondhand article ~~or secondhand jewelry~~ purchased or received by the pawnbroker,
5 or secondhand article dealer, ~~or secondhand jewelry dealer~~ and the report is required
6 to be submitted in an electronic format, the secondhand article ~~or secondhand~~
7 ~~jewelry~~ shall be kept on the pawnbroker's, or secondhand article dealer's, ~~or~~
8 ~~secondhand jewelry dealer's~~ premises or other place for safekeeping for not less than
9 7 days after the report is submitted.

10 **SECTION 8.** 134.71 (8) (e) (title) of the statutes is amended to read:

11 134.71 (8) (e) (title) ~~Report to law~~ Law enforcement agency reports.

12 **SECTION 9.** 134.71 (8) (e) of the statutes is renumbered 134.71 (8) (e) 1. and
13 amended to read:

14 134.71 (8) (e) 1. ~~Within~~ Except as provided in subd. 3., within 24 hours after
15 purchasing or receiving a secondhand article or secondhand jewelry, a pawnbroker,
16 secondhand article dealer or secondhand jewelry dealer shall make available, for
17 inspection by a law enforcement officer, the original form completed under par. (c) 1.
18 or the inventory under par. (c) 2., whichever is appropriate. Notwithstanding s. 19.35
19 (1), a law enforcement agency receiving the original form or inventory or a
20 declaration of ownership may disclose it only to another law enforcement agency.

21 **SECTION 10.** 134.71 (8) (e) 2. of the statutes is created to read:

22 134.71 (8) (e) 2. The law enforcement agency of a county or municipality shall
23 require each pawnbroker and secondhand jewelry dealer licensed by the county or
24 municipality to participate in a system specified by the county or municipality for
25 electronically reporting each transaction of purchase, receipt, or exchange of

1 secondhand jewelry from a customer. The law enforcement agency may specify a
2 system only if the system provides for digitally photographing each item or
3 component of secondhand jewelry that is subject to a transaction. The law
4 enforcement agency may require that a pawnbroker or secondhand jewelry dealer
5 directly report transactions to the system or provide information or make other
6 arrangements necessary for the law enforcement agency to report transactions to the
7 system on behalf of the pawnbroker or secondhand jewelry dealer. If a law
8 enforcement agency makes reports on behalf of a pawnbroker or secondhand jewelry
9 dealer, the law enforcement agency shall provide notice to the pawnbroker or
10 secondhand jewelry dealer of the date on which the law enforcement agency reports
11 a transaction to the system.

12 **SECTION 11.** 134.71 (8) (e) 3. of the statutes is created to read:

13 134.71 (8) (e) 3. If a law enforcement agency determines that compliance with
14 subd. 2. renders compliance with any requirement regarding secondhand jewelry
15 under par. (c) 1. or subd. 1. unnecessary, the law enforcement agency may waive
16 compliance with the requirement and provide written notice of the waiver to
17 pawnbrokers and secondhand jewelry dealers who are subject to the law
18 enforcement agency's jurisdiction.

19 **SECTION 12. Initial applicability.**

20 (1) The treatment of section 134.71 (1) (c) and (h) 3. and (8) (c) 1. and (d) 1., 3.,
21 and 3m. of the statutes, the renumbering and amendment of section 134.71 (8) (e) of
22 the statutes, and the creation of section 134.71 (8) (e) 2. of the statutes first apply to
23 purchases, receipts, exchanges, and other transactions that occur on the effective
24 date of this subsection.

25 **SECTION 13. Effective date.**

IN LEAT 5-18

1

INSERT A:

Under current law, a person may not operate as a pawnbroker in a city, village, or town (municipality) without an annual license issued by that municipality. Also, current law prohibits a person from operating as a secondhand jewelry dealer anywhere in the state without a license issued by the municipality in which the person has its principal place of business. Current law imposes other requirements on pawnbrokers and secondhand jewelry dealers, including requirements for making written records of transactions and holding items received from customers for specified periods of time after receipt. In general, pawnbrokers must hold certain items and secondhand jewelry for not less than 30 days after receipt, and secondhand jewelry dealers must hold secondhand jewelry for not less than 21 days after receipt. However, if a law enforcement officer requires the pawnbroker or secondhand jewelry dealer to submit an electronic report about the item or secondhand jewelry, the pawnbroker or secondhand jewelry dealer must hold the item or secondhand jewelry for not less than seven days after submitting the electronic report. The foregoing holding periods do not apply to items or secondhand jewelry received on consignment or to coins or bullion.

This bill requires the law enforcement agency of a municipality to require each pawnbroker and secondhand jewelry dealer licensed by the municipality to participate in a system specified by the law enforcement agency for electronically reporting each transaction with a customer that involves secondhand jewelry. The bill allows a law enforcement agency to specify a system only if the system provides for digitally photographing each item or component of secondhand jewelry that is subject to a transaction. Also, a law enforcement agency may allow a pawnbroker or secondhand jewelry dealer either to make reports to the system or to provide information or make other arrangements for the law enforcement agency to make reports on the pawnbroker's or secondhand jewelry dealer's behalf. If a law enforcement agency determines that the foregoing reporting requirements render unnecessary compliance with the written recordkeeping requirements under current law, the bill allows the law enforcement agency to waive those recordkeeping requirements. A law enforcement agency must provide written notice of such a waiver to all pawnbrokers and secondhand jewelry dealers that are subject to the agency's jurisdiction.

X The bill also revises the holding periods for secondhand jewelry that apply to pawnbrokers and secondhand jeweler dealers under current law. The bill does not affect the holding periods required for items other than secondhand jewelry. Under the bill, a pawnbroker or secondhand jewelry dealer must hold secondhand jewelry for not less than 28 days after the pawnbroker or secondhand jewelry dealer makes an electronic report to the system required under the bill. However, if a law enforcement agency makes an electronic report on behalf of a pawnbroker or secondhand jewelry dealer, the law enforcement agency must provide notice of the date of the report to the pawnbroker or secondhand jewelry dealer, who must hold the secondhand jewelry for not less than 28 days after that date. Like current law,

the bill's holding periods do not apply to secondhand jewelry received on consignment.

The bill also revises a definition under current law so that a person who deals in components of secondhand jewelry is regulated as a secondhand jewelry dealer. In addition, the bill revises an exemption from such regulation that applies to a person who engages in the business of smelting, refining, assaying, or manufacturing precious metals, gems, or other valuable articles. Under current law, the exemption applies only if the person does not have a retail operation open to the public. Under the bill, the exemption applies only if the person has no purchasing, selling, receiving, or exchanging operation open to the public.

Finally, current law allows a county or municipality to enact an ordinance that is more stringent than the requirements under current law regarding pawnbrokers, secondhand jewelry dealers, and "secondhand article dealers," which are persons who deal in certain articles other than jewelry. Under this bill, if a county enacts such an ordinance, the ordinance applies in a municipality in the county only if the municipality does not have in effect its own ordinance.

INSERT 5-18:

1
2
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SECTION 1. 134.71 (14) of the statutes is renumbered 134.71 (14) (a).

SECTION 2. 134.71 (14) (b) of the statutes is created to read:

134.71 (14) (b) An ordinance enacted by a county under par. (a) applies in a city, village, or town in the county only if the city, village, or town does not have in effect an ordinance that the city, village, or town has enacted under par. (a).

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3116/1dn
MDK:.....

Rep. Kolste:

This version is identical to the previous version, except that it resolves a potential conflict regarding local ordinances regulating pawnbrokers, secondhand jewelry dealers, and secondhand article dealers. Under current law, s. 134.71 (14) allows a city, village, town, or county to adopt an ordinance if it is more stringent than section 134.71. However, a county ordinance could conflict with the ordinance of a city, village, or town in the county, and s. 134.71 does not resolve this issue.

In this version, I resolved this potential conflict by specifying that a county ordinance applies only in those cities, villages, and towns that do not have their own ordinances in effect. If you have other ideas on how to resolve this issue, please let me know.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3116/1dn
MDK:kjf:ph

September 18, 2013

Rep. Kolste:

This version is identical to the previous version, except that it resolves a potential conflict regarding local ordinances regulating pawnbrokers, secondhand jewelry dealers, and secondhand article dealers. Under current law, s. 134.71 (14) allows a city, village, town, or county to adopt an ordinance if it is more stringent than section 134.71. However, a county ordinance could conflict with the ordinance of a city, village, or town in the county, and s. 134.71 does not resolve this issue.

In this version, I resolved this potential conflict by specifying that a county ordinance applies only in those cities, villages, and towns that do not have their own ordinances in effect. If you have other ideas on how to resolve this issue, please let me know.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

Kunkel, Mark

From: Stoa, Jim
Sent: Friday, December 06, 2013 5:44 PM
To: Kunkel, Mark
Subject: Re: Cash for Gold redraft

Yeah, that should work. Maybe make it a little broader, like "other than a show or convention that offers to buy second-hand jewelry from attendees" or something along those lines.

Thanks,

Jim

On Dec 6, 2013, at 4:23 PM, "Kunkel, Mark" <Mark.Kunkel@legis.wisconsin.gov> wrote:

Regarding the exemption, if we mention cash-for-gold businesses in the statutes, then I think we no longer need to rely on DATCP rules. We could make the following change to the exemption:

"134.71(1)(h) (intro.) "Secondhand jewelry dealer" means any person, other than an auctioneer, who engages in the business of any transaction consisting of purchasing, selling, receiving or exchanging secondhand jewelry, except for the following:

1. Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem or antique show or a convention, other than a show or convention that offers cash-for-gold transactions to the public."

Let me know what you think.

--Mark

From: Stoa, Jim
Sent: Friday, December 06, 2013 11:53 AM
To: Kunkel, Mark
Subject: RE: Cash for Gold redraft

Yes, please require an operation to obtain a license from each municipality in which it operates – and report any transactions with that community's law enforcement agency.

Is it possible to require DATCP to promulgate rules that make it clear a CFG business is not included in the exemption?

Thanks,

Jim

Jim Stoa

Office of Sen. Tim Cullen
(608) 266-2253

From: Kunkel, Mark
Sent: Thursday, December 05, 2013 3:44 PM
To: Stoa, Jim
Cc: Gallagher, Michael
Subject: RE: Cash for Gold redraft

Jim:

It looks like there may 2 issues here.

The first is the exemption from the definition of "secondhand jewelry dealer" for a person who engages in transactions at a gem show or a convention. See s. 134.71 (1) (h) 1. You could eliminate that exemption entirely, or you could require DATCP to promulgate rules specifying the types of gem shows or conventions that qualify for the exemption.

The second is a new issue that occurred to me as I reviewed the bill. Under current law, which is not affected by the bill, a person may not operate as a secondhand jewelry dealer unless the person obtains a license. However, a license is granted by the municipality in which the person has a principal place of business. After receiving a license granted by such a municipality, the person can operate as a secondhand jewelry dealer anywhere else in the state, without obtaining a license from any other municipality. A traveling cash-for-gold business might argue that it operates in different Wisconsin municipalities without having its principal place of business in any of them. As a result, the business might argue that it doesn't need a license.

You could address the second issue by requiring a person to obtain a license from each municipality in which it operates, and eliminate the requirement regarding principal place of business. That's how pawnbrokers are treated under current law. When a person obtains a pawnbroker's license from a municipality under current law, that license authorizes the person to operate as a pawnbroker only in that municipality.

Please let me know how you want to proceed.

--Mark

From: Stoa, Jim
Sent: Wednesday, December 04, 2013 1:48 PM
To: Kunkel, Mark
Subject: RE: Cash for Gold redraft

Okay. She had told me last week that she was going to call you regarding the cash-for-gold bill. After speaking with Laura and DATCP's legal team, the general belief was that the type of temporary traveling CFG operation that sets up at local convention halls for a weekend would probably be covered under the bill as it is currently written. However, we wouldn't like to leave it up for debate – Sen. Cullen and Rep. Kolste want to make sure it's absolutely clear that these operations would be included. That may require a change to the definition of (and exceptions to) the term "second-hand jeweler" found in §134.71(1)(h).

Do you have any ideas on how to amend the bill so that it clearly covers both brick-and-mortar CFG businesses and also the traveling operations?

Thanks,

Jim Stoa
Office of Sen. Tim Cullen
(608) 266-2253

From: Kunkel, Mark
Sent: Tuesday, December 03, 2013 1:13 PM
To: Stoa, Jim
Subject: RE: Cash for Gold redraft

Jim, I haven't gotten anything from Laura Rose yet. She is out of town at an NCLS meeting and will back in the office Monday.

--Mark

From: Stoa, Jim
Sent: Tuesday, December 03, 2013 10:52 AM
To: Kunkel, Mark
Subject: Cash for Gold redraft

Hey Mark,

Did Laura Rose contact you about a redraft of the cash-for-gold bill?

Thanks,

Jim Stoa
Office of Sen. Tim Cullen
(608) 266-2253



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3116/1
MDK:kjf:ph

O-NOTE

2013 BILL

2
RM
has been
run

soon
in 12-9

Friday

unless an
exemption applies

gen cat

1 AN ACT *to renumber* 134.71 (14); *to renumber and amend* 134.71 (8) (e); *to*
2 *amend* 134.71 (1) (c), 134.71 (1) (h) 3., 134.71 (8) (c) 1., 134.71 (8) (c) 2., 134.71
3 (8) (d) 1., 134.71 (8) (d) 3., 134.71 (8) (d) 3m. and 134.71 (8) (e) (title); and *to*
4 *create* 134.71 (8) (e) 2., 134.71 (8) (e) 3. and 134.71 (14) (b) of the statutes;
5 **relating to:** secondhand jewelry transactions.

Analysis by the Legislative Reference Bureau

Under current law, a person may not operate as a pawnbroker in a city, village, or town (municipality) without an annual license issued by that municipality. Also, current law prohibits a person from operating as a secondhand jewelry dealer anywhere in the state without a license issued by the municipality in which the person has its principal place of business. Current law imposes other requirements on pawnbrokers and secondhand jewelry dealers, including requirements for making written records of transactions and holding items received from customers for specified periods of time after receipt. In general, pawnbrokers must hold certain items and secondhand jewelry for not less than 30 days after receipt, and secondhand jewelry dealers must hold secondhand jewelry for not less than 21 days after receipt. However, if a law enforcement officer requires the pawnbroker or secondhand jewelry dealer to submit an electronic report about the item or secondhand jewelry, the pawnbroker or secondhand jewelry dealer must hold the item or secondhand jewelry for not less than seven days after submitting the electronic report. The foregoing holding periods do not apply to items or secondhand jewelry received on consignment or to coins or bullion.

INSERT
2A

BILL

Same #

The also

This bill requires the law enforcement agency of a municipality to require each pawnbroker and secondhand jewelry dealer licensed by the municipality to participate in a system specified by the law enforcement agency for electronically reporting each transaction with a customer that involves secondhand jewelry. The bill allows a law enforcement agency to specify a system only if the system provides for digitally photographing each item or component of secondhand jewelry that is subject to a transaction. Also, a law enforcement agency may allow a pawnbroker or secondhand jewelry dealer either to make reports to the system or to provide information or make other arrangements for the law enforcement agency to make reports on the pawnbroker's or secondhand jewelry dealer's behalf. If a law enforcement agency determines that the foregoing reporting requirements render unnecessary compliance with the written recordkeeping requirements under current law, the bill allows the law enforcement agency to waive those recordkeeping requirements. A law enforcement agency must provide written notice of such a waiver to all pawnbrokers and secondhand jewelry dealers that are subject to the agency's jurisdiction.

The bill also revises the holding periods for secondhand jewelry that apply to pawnbrokers and secondhand jeweler dealers under current law. The bill does not affect the holding periods required for items other than secondhand jewelry. Under the bill, a pawnbroker or secondhand jewelry dealer must hold secondhand jewelry for not less than 28 days after the pawnbroker or secondhand jewelry dealer makes an electronic report to the system required under the bill. However, if a law enforcement agency makes an electronic report on behalf of a pawnbroker or secondhand jewelry dealer, the law enforcement agency must provide notice of the date of the report to the pawnbroker or secondhand jewelry dealer, who must hold the secondhand jewelry for not less than 28 days after that date. Like current law, the bill's holding periods do not apply to secondhand jewelry received on consignment.

The bill also revises a definition under current law so that a person who deals in components of secondhand jewelry is regulated as a secondhand jewelry dealer. In addition, the bill revises an exemption from such regulation that applies to a person who engages in the business of smelting, refining, assaying, or manufacturing precious metals, gems, or other valuable articles. Under current law, the exemption applies only if the person does not have a retail operation open to the public. Under the bill, the exemption applies only if the person has no purchasing, selling, receiving, or exchanging operation open to the public.

Finally, current law allows a county or municipality to enact an ordinance that is more stringent than the requirements under current law regarding pawnbrokers, secondhand jewelry dealers, and "secondhand article dealers," which are persons who deal in certain articles other than jewelry. Under this bill, if a county enacts such an ordinance, the ordinance applies in a municipality in the county only if the municipality does not have in effect its own ordinance.

INSERT 2B

BILL

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

INSEAT
3-5

1 SECTION 1. 134.71 (1) (c) of the statutes is amended to read:

2 134.71 (1) (c) "Jewelry" means any tangible personal property ordinarily
3 wearable on the person and consisting in whole or in part of any metal, mineral or
4 gem customarily regarded as precious or semiprecious, and includes any component
5 of such tangible personal property.

6 SECTION 2. 134.71 (1) (h) 3. of the statutes is amended to read:

7 134.71 (1) (h) 3. Any transaction entered into by a person while engaged in a
8 business of smelting, refining, assaying or manufacturing precious metals, gems, or
9 valuable articles if the person has no retail purchasing, selling, receiving, or
10 exchanging operation open to the public.

11 SECTION 3. 134.71 (8) (c) 1. of the statutes is amended to read:

12 134.71 (8) (c) 1. Except as provided in subd. 2. and par. (e) 3., for each
13 transaction of purchase, receipt or exchange of any secondhand article or
14 secondhand jewelry from a customer, a pawnbroker, secondhand article dealer or
15 secondhand jewelry dealer shall require the customer to complete and sign, in ink,
16 the appropriate form provided under sub. (12). No entry on such a form may be
17 erased, mutilated or changed. The pawnbroker, secondhand article dealer or
18 secondhand jewelry dealer shall retain an original and a duplicate of each form for
19 not less than one year after the date of the transaction except as provided in par. (e)
20 1., and during that period shall make the duplicate available to any law enforcement
21 officer for inspection at any time that the pawnbroker's, secondhand article dealer's,

INSEAT 3-10

BILL

1 or secondhand jewelry dealer's principal place of business is open to the public or at
2 any other reasonable time.

3 **SECTION 4.** 134.71 (8) (c) 2. of the statutes is amended to read:

4 134.71 (8) (c) 2. For every secondhand article purchased, received or exchanged
5 by a secondhand article dealer from a customer off the secondhand article dealer's
6 premises or consigned to the secondhand article dealer for sale on the secondhand
7 article dealer's premises, the secondhand article dealer shall keep a written
8 inventory. In this inventory the secondhand article dealer shall record the name and
9 address of each customer, the date, time and place of the transaction and a detailed
10 description of the article which is the subject of the transaction, including the
11 article's serial number and model number, if any. The customer shall sign his or her
12 name on a declaration of ownership of the secondhand article identified in the
13 inventory and shall state that he or she owns the secondhand article. The
14 secondhand article dealer shall retain an original and a duplicate of each entry and
15 declaration of ownership relating to the purchase, receipt or exchange of any
16 secondhand article for not less than one year after the date of the transaction except
17 as provided in par. (e) 1., and shall make duplicates of the inventory and declarations
18 of ownership available to any law enforcement officer for inspection at any time that
19 the secondhand article dealer's principal place of business is open to the public or at
20 any other reasonable time.

21 **SECTION 5.** 134.71 (8) (d) 1. of the statutes is amended to read:

22 134.71 (8) (d) 1. Except as provided in subds. 3m. and 5., any secondhand article
23 ~~or secondhand jewelry~~ purchased or received by a pawnbroker shall be kept on the
24 pawnbroker's premises or other place for safekeeping for not less than 30 days after

BILL

1 the date of purchase or receipt, unless the person known by the pawnbroker to be the
2 lawful owner of the secondhand article ~~or secondhand jewelry~~ recovers it.

3 **SECTION 6.** 134.71 (8) (d) 3. of the statutes is amended to read: ✓

4 134.71 (8) (d) 3. Except as provided in ~~subds. 3m. and~~ subd. 5., any secondhand
5 jewelry purchased or received by a pawnbroker or secondhand jewelry dealer shall
6 be kept on the pawnbroker's or secondhand jewelry dealer's premises or other place
7 for safekeeping for not less than ~~21~~ 28 days after the date of purchase or receipt that
8 the pawnbroker or secondhand jewelry dealer makes a report regarding the
9 secondhand jewelry under par. (e) 2. or, if applicable, the date specified in a notice
10 provided by a law enforcement agency under par. (e) 2.

11 **SECTION 7.** 134.71 (8) (d) 3m. of the statutes is amended to read: ✓

12 134.71 (8) (d) 3m. If a pawnbroker, or secondhand article dealer, ~~or secondhand~~
13 ~~jewelry dealer~~ is required to submit a report under par. (e) 1. concerning a
14 secondhand article ~~or secondhand jewelry~~ purchased or received by the pawnbroker,
15 or secondhand article dealer, ~~or secondhand jewelry dealer~~ and the report is required
16 to be submitted in an electronic format, the secondhand article ~~or secondhand~~
17 ~~jewelry~~ shall be kept on the pawnbroker's, or secondhand article dealer's, ~~or~~
18 ~~secondhand jewelry dealer's~~ premises or other place for safekeeping for not less than
19 7 days after the report is submitted.

20 **SECTION 8.** 134.71 (8) (e) (title) of the statutes is amended to read: ✓

21 134.71 (8) (e) (title) ~~Report to law~~ Law enforcement agency reports.

22 **SECTION 9.** 134.71 (8) (e) of the statutes is renumbered 134.71 (8) (e) 1. and ✓
23 amended to read:

24 134.71 (8) (e) 1. ~~Within~~ Except as provided in subd. 3., within 24 hours after
25 purchasing or receiving a secondhand article or secondhand jewelry, a pawnbroker,

BILL

1 secondhand article dealer or secondhand jewelry dealer shall make available, for
2 inspection by a law enforcement officer, the original form completed under par. (c) 1.
3 or the inventory under par. (c) 2., whichever is appropriate. Notwithstanding s. 19.35
4 (1), a law enforcement agency receiving the original form or inventory or a
5 declaration of ownership may disclose it only to another law enforcement agency.

6 **SECTION 10.** 134.71 (8) (e) 2. of the statutes is created to read: ✓

7 134.71 (8) (e) 2. The law enforcement agency of a county or municipality shall
8 require each pawnbroker and secondhand jewelry dealer licensed by the county or
9 municipality to participate in a system specified by the county or municipality for
10 electronically reporting each transaction of purchase, receipt, or exchange of
11 secondhand jewelry from a customer. The law enforcement agency may specify a
12 system only if the system provides for digitally photographing each item or
13 component of secondhand jewelry that is subject to a transaction. The law
14 enforcement agency may require that a pawnbroker or secondhand jewelry dealer
15 directly report transactions to the system or provide information or make other
16 arrangements necessary for the law enforcement agency to report transactions to the
17 system on behalf of the pawnbroker or secondhand jewelry dealer. If a law
18 enforcement agency makes reports on behalf of a pawnbroker or secondhand jewelry
19 dealer, the law enforcement agency shall provide notice to the pawnbroker or
20 secondhand jewelry dealer of the date on which the law enforcement agency reports
21 a transaction to the system.

22 **SECTION 11.** 134.71 (8) (e) 3. of the statutes is created to read: ✓

23 134.71 (8) (e) 3. If a law enforcement agency determines that compliance with
24 subd. 2. renders compliance with any requirement regarding secondhand jewelry
25 under par. (c) 1. or subd. 1. unnecessary, the law enforcement agency may waive

BILL

1 compliance with the requirement and provide written notice of the waiver to
2 pawnbrokers and secondhand jewelry dealers who are subject to the law
3 enforcement agency's jurisdiction.

4 **SECTION 12.** 134.71 (14) of the statutes is renumbered 134.71 (14) (a). ✓

5 **SECTION 13.** 134.71 (14) (b) of the statutes is created to read: ✓

6 134.71 (14) (b) An ordinance enacted by a county under par. (a) applies in a city,
7 village, or town in the county only if the city, village, or town does not have in effect
8 an ordinance that the city, village, or town has enacted under par. (a).

9 **SECTION 14. Initial applicability.**

10 (1) The treatment of section 134.71 (1) (c) and (h) 3. and (8) (c) 1. and (d) 1., 3.,
11 and 3m. of the statutes, the renumbering and amendment of section 134.71 (8) (e) of
12 the statutes, and the creation of section 134.71 (8) (e) 2. of the statutes first apply to
13 purchases, receipts, exchanges, and other transactions that occur on the effective
14 date of this subsection.

15 **SECTION 15. Effective date.**

16 (1) This act takes effect on the first day of the 7th month beginning after
17 publication.

18 (END)

D-Note

1

INSERT 2A:

This bill prohibits a person from operating as a secondhand jewelry dealer in a municipality unless the person obtains an annual license from the municipality. Unlike current law, the license does not authorize the person to operate as a secondhand jewelry dealer anywhere in the state. Instead, the person must obtain a license from each municipality in which the person operates as a secondhand jewelry dealer.

2

INSERT 2B:

X
X
The bill also revises an exemption under current law that applies to a person who engages in secondhand jewelry transactions at an occasional garage or yard sale, an estate sale, a gun, knife, gem or antique show, or a convention. Under the bill, the exemption does not apply to a show or convention that offers to purchase secondhand jewelry from attendees.

3

INSERT 3-5:

4

SECTION 1. 134.71 (1) (h) 1. of the statutes is amended to read:

5

134.71 (1) (h) 1. Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem or antique show or a convention, other than a show or convention that offers to buy secondhand jewelry from attendees.

6

7

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

8

INSERT 3-10:

9

SECTION 2. 134.71 (4) of the statutes is amended to read:

10

134.71 (4) LICENSE FOR SECONDHAND JEWELRY DEALER. No person may operate as a secondhand jewelry dealer unless the person first obtains a secondhand jewelry dealer's license under this section. A license issued to a secondhand jewelry dealer by the governing body of a municipality authorizes the licensee to operate as a secondhand jewelry dealer ~~anywhere in the state~~ in that municipality.

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History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

15

SECTION 3. 134.71 (5) (intro.) of the statutes is amended to read:

16

134.71 (5) LICENSE APPLICATION. (intro.) A person wishing to operate as a secondhand article dealer ~~or a secondhand jewelry dealer~~ and have a principal place

17

1 of business in a municipality shall apply for a license to the clerk of that municipality.
2 A person wishing to operate as a pawnbroker or secondhand jewelry dealer in a
3 municipality shall apply for a license to the clerk of the municipality. The clerk shall
4 furnish application forms under sub. (12) that shall require all of the following:

History: 1989 a. 257; 1991 a. 269; 1993 a. 102, 112, 246; 1995 a. 27; 1997 a. 252; 2005 a. 58; 2007 a. 191.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3116/Idn
MDK...t...

2
JF

Date

Rep. Kolste and Sen. Cullen:

This version of the bill is identical to the previous version, except that it requires a person to obtain a secondhand jewelry dealer license from each municipality in which the person operates, and it revises the exemption for certain shows and conventions.

Mark D. Kunkel
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**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3116/2dn
MDK:kjfrs

December 13, 2013

Rep. Kolste and Sen. Cullen:

This version of the bill is identical to the previous version, except that it requires a person to obtain a secondhand jewelry dealer license from each municipality in which the person operates, and it revises the exemption for certain shows and conventions.

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Basford, Sarah

From: Engelbert, Steve
Sent: Thursday, January 09, 2014 9:42 AM
To: LRB.Legal
Subject: Draft Review: LRB -3116/2 Topic: Secondhand jewelry dealers

Please Jacket LRB -3116/2 for the ASSEMBLY.