

A Bill for an Act Relating to Trade.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 486M, Hawaii Revised Statutes, is amended to read as follows:

“[[CHAPTER 486M]]
[METAL AND GEM] PAWNBROKERS AND SECONDHAND DEALERS

[[§486M-1]] Definitions. As used in this chapter, unless the context otherwise requires:

“Article” means any previously owned good or chattel, including, but not limited to, precious or semiprecious metals or precious or semiprecious gems.

“Dealer” means any person, firm, partnership, corporation, or other entity who engages in a business which includes the buying of previously owned [precious or semiprecious metals or precious or semiprecious gems.] article, and includes any pawnbroker or secondhand dealer.

“Pawnbroker” means any person, firm, partnership, corporation, or other entity who advances for interest or for or in expectation of profit, gain, or reward any sum of money upon security of any goods or chattels taken by such person by way of pawn or pledge, and includes any person subject to part V of chapter 445.

“Precious or semiprecious gem” means any of the less common and more valuable stones and pearls, including but not limited to amethyst, diamond, emerald, jade, opal, ruby, sapphire, topaz, turquoise, and zircon, whether natural or synthetic, cut or polished.

“Precious or semiprecious metal” means any of the less common and more valuable metals, including but not limited to gold, silver, platinum, and alloys thereof, without regard to their fineness, [but excludes] and includes bullion and bullion type coins and bars.

“Secondhand dealer” means any person who trades in secondhand or previously owned articles, and includes any person subject to Part VII of Chapter 445.

[[§486M-2]] Record of transactions. Every dealer, or the agent, employee, or representative of the dealer shall, immediately upon receipt of any [precious or semiprecious metals or precious or semiprecious gems,] article, record the following information, on a form prescribed by the chief of police in each county:

- (1) The name and address of the dealer;
- (2) The name, residence address, date of birth, and the age of the person from whom the [precious or semiprecious metals or precious or semiprecious gems were] article was received;
- (3) The date and time the [precious or semiprecious metals or precious or semiprecious gems are] article was received by the dealer;
- (4) The signature of the person from whom the [precious or semiprecious metals or precious or semiprecious gems were] article was received;
- (5) The Hawaii drivers license number, or if the person does not possess a Hawaii drivers license, the number of and description of any identification which bears a photograph of the person from whom the

[precious or semiprecious metals or precious or semiprecious gems were] article was received;

- (6) A complete and accurate description of [all precious or semiprecious metals and all precious and semiprecious gems] the article received, including all markings, names, initials, and inscriptions;
- (7) A reasonable estimate of the fineness and weights of the precious and semiprecious metals and precious and semiprecious gems received; and
- (8) The price paid by the dealer for each [item.] article.

The copies of all completed forms required by this section shall be surrendered[,] or mailed, upon request[,] and at the discretion of the chief of police of each county, to the chief of police [of each county,] or to the chief of police's authorized representative.

[§486M-3] Transactions by minors prohibited. A dealer shall not receive or purchase any [precious or semiprecious metals or precious or semiprecious gems] article from any person under the age of eighteen.

[§486M-4] Minimum retention of items. No dealer, the dealer's agents, employees, or representatives shall alter, melt, deface, break apart or dispose of or change the character or integrity of the precious or semiprecious metals or precious or semiprecious gems received or purchased for a period of ten working days after the purchase or possession by the dealer, whichever comes later, [and all precious and semiprecious metals and all precious and semiprecious gems] Every article received by the dealer, the dealer's agents, employees, or representatives shall be retained by the dealer in the county where received or purchased for a period of ten working days after the purchase or possession by the dealer, whichever comes later.

[§486M-5] Inspections. The chief of police of each county or the chief of police's authorized representative may immediately inspect, during normal business hours or whenever the dealer or the dealer's agents or employees are otherwise present, any records required by this chapter and any [items] articles described in such records that the police reasonably believe are stolen goods.

[§486M-6] Applicability. Any dealer [when transacting in precious or semiprecious metals or precious or semiprecious gems and which] who is otherwise licensed shall comply with the provisions of this chapter as a condition of [its] the dealer's license except as to those statutory conditions of [its] the license which are more restrictive.

[§486M-7] Penalties. Any dealer, or any agent, employee, or representative of a dealer who knowingly violates any of the provisions of sections 486M-2, 486M-3, 486M-4, or who refuses to allow the inspection provided for in section 486M-5, and any person who offers or records information which is required under section 486M-2 that the person knows or has reason to know is false, shall be guilty of a misdemeanor. Any dealer, or any agent, employee or representative of a dealer who is convicted for a second violation of any provision of this chapter shall, in addition to the foregoing penalty, be permanently prohibited from engaging in the business of buying or selling of precious or semiprecious metals or precious or semiprecious gems[.] or any article.

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[[§486M-8]] Severability. If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 10, 1991.)