

1-1 By: Geren (Senate Sponsor - Harris) H.B. No. 1242
1-2 (In the Senate - Received from the House April 18, 2011;
1-3 April 26, 2011, read first time and referred to Committee on
1-4 Business and Commerce; May 19, 2011, reported adversely, with
1-5 favorable Committee Substitute by the following vote: Yeas 8,
1-6 Nays 0; May 19, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1242 By: Harris

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the regulation of certain metal dealers; providing
1-11 criminal penalties.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 1956.001(8), Occupations Code, is
1-14 amended to read as follows:

1-15 (8) "Personal identification document" means:

1-16 (A) a valid driver's license issued by a state in
1-17 the United States;

1-18 (B) a United States military identification
1-19 card; ~~or~~

1-20 (C) a personal identification certificate issued
1-21 by the department under Section 521.101, Transportation Code, or a
1-22 corresponding card or certificate issued by another state;

1-23 (D) a passport; or

1-24 (E) documentation issued by the United States
1-25 agency responsible for citizenship and immigration that authorizes
1-26 the person to be in the United States.

1-27 SECTION 2. Section 1956.060, Occupations Code, is amended
1-28 to read as follows:

1-29 Sec. 1956.060. EXCEPTION: CRAFTED PRECIOUS METAL ACQUIRED
1-30 BY PERSON LICENSED UNDER TEXAS PAWNSHOP ACT. This subchapter does
1-31 not apply to crafted precious metal acquired by:

1-32 (1) a person licensed under Chapter 371, Finance Code;
1-33 or

1-34 (2) an entity affiliated with a person licensed under
1-35 Chapter 371, Finance Code, if the entity's recordkeeping practices
1-36 satisfy the requirements of that chapter.

1-37 SECTION 3. Section 1956.062, Occupations Code, is amended
1-38 by amending Subsection (c) and adding Subsection (c-1) to read as
1-39 follows:

1-40 (c) The dealer shall:

1-41 (1) record the identification [proposed seller's
1-42 driver's license] number [or department personal identification
1-43 certificate number on physical presentation] of the seller's
1-44 personal identification document;

1-45 (2) visually verify the accuracy of the seller's
1-46 personal identification document and make a copy of the document;
1-47 and

1-48 (3) obtain a digital or video photograph that
1-49 accurately depicts each item of crafted precious metal purchased
1-50 [license or personal identification certificate by the seller].

1-51 (c-1) The copy of the document and photograph described by
1-52 Subsection (c) [record] must accompany the list.

1-53 SECTION 4. Subchapter B, Chapter 1956, Occupations Code, is
1-54 amended by adding Section 1956.0631 to read as follows:

1-55 Sec. 1956.0631. PAYMENT FOR CRAFTED PRECIOUS METAL
1-56 PURCHASED. A dealer may pay for a purchase of crafted precious
1-57 metal only by check or prepaid debit card. If payment is by check,
1-58 the names of the dealer and seller must be printed on the check. If
1-59 payment is by prepaid debit card, the seller may not be liable for
1-60 any fees charged by the issuer of the card.

1-61 SECTION 5. Section 1956.064, Occupations Code, is amended
1-62 to read as follows:

1-63 Sec. 1956.064. REQUIRED RETENTION OF CRAFTED PRECIOUS

2-1 METAL. (a) A dealer may not melt, deface, alter, or dispose of
2-2 crafted precious metal that is the subject of a report required by
2-3 this subchapter before the 21st [~~11th~~] day after the date the report
2-4 is filed unless:

2-5 (1) the peace officer to whom the report is submitted,
2-6 for good cause, authorizes disposition of the metal; or

2-7 (2) [~~the dealer obtains the name, address, and~~
2-8 ~~description of the buyer and retains a record of that information,~~
2-9 ~~or~~

2-10 [~~3~~] the dealer is a pawnbroker and the disposition
2-11 is the redemption of pledged property by the pledgor.

2-12 (b) A peace officer who has reasonable suspicion to believe
2-13 that an item of crafted precious metal in the possession of a dealer
2-14 is stolen may place the item on hold by issuing to the dealer a
2-15 written notice that:

2-16 (1) specifically identifies the item alleged to be
2-17 stolen and subject to the hold; and

2-18 (2) informs the dealer of the requirements of
2-19 Subsection (c).

2-20 (c) On receiving the notice, the dealer may not melt,
2-21 deface, alter, or dispose of the identified crafted precious metal
2-22 until the hold is released in writing by a peace officer of this
2-23 state or a court order. [A dealer who retains information under
2-24 Subsection (a)(2) shall make that information available for
2-25 inspection by any peace officer.]

2-26 SECTION 6. Section 1956.069(a), Occupations Code, is
2-27 amended to read as follows:

2-28 (a) A dealer commits an offense if the dealer:

2-29 (1) fails to make or permit inspection of a report as
2-30 required by Section 1956.062 or 1956.063;

2-31 (2) violates [~~disposes of crafted precious metal or~~
2-32 ~~fails to make a record available for inspection by a peace officer~~
2-33 ~~as required by~~] Section 1956.0631 or 1956.064;

2-34 (3) fails to obtain or retain a statement as required
2-35 by Section 1956.066;

2-36 (4) fails to file a registration statement as required
2-37 by Section 1956.067; or

2-38 (5) purchases an object in violation of Section
2-39 1956.068.

2-40 SECTION 7. The change in law made by this Act applies only
2-41 to an offense committed on or after the effective date of this Act.
2-42 An offense committed before the effective date of this Act is
2-43 governed by the law in effect on the date the offense was committed,
2-44 and the former law is continued in effect for that purpose. For
2-45 purposes of this section, an offense was committed before the
2-46 effective date of this Act if any element of the offense occurred
2-47 before that date.

2-48 SECTION 8. This Act takes effect September 1, 2011.

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