

By: Dukes

H.B. No. 4077

A BILL TO BE ENTITLED

AN ACT

relating to the disposition and identification of certain goods acquired by recycling entities and pawnbrokers; providing an administrative penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1956.064(a), Occupations Code, is amended to read as follows:

(a) A dealer may not melt, deface, alter, or dispose of crafted precious metal that is the subject of a report required by this subchapter before the 14th [~~11th~~] day after the date the report is filed unless:

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

(2) the dealer obtains the name, address, and description of the buyer and retains a record of that information; or

(3) the dealer is a pawnbroker and the disposition is the redemption of pledged property by the pledgor.

SECTION 2. The heading to Section 371.181, Finance Code, is amended to read as follows:

Sec. 371.181. STOLEN GOODS; ELECTRONIC REPORTING.

SECTION 3. Section 371.181, Finance Code, is amended by amending Subsection (a) and adding Subsections (c), (d), (e), and (f) to read as follows:

1 (a) A pawnbroker shall monitor and report as provided by
2 this section goods purchased, accepted in pawn, or otherwise
3 acquired by the pawnbroker in order to identify and prohibit
4 transactions involving stolen goods.

5 (c) Before the end of each business day following the day
6 goods are acquired by a pawnbroker, the pawnbroker shall
7 electronically report goods purchased, accepted in pawn, or
8 otherwise acquired by the pawnbroker to law enforcement agencies
9 through a reporting database that is searchable by those agencies
10 statewide and is:

11 (1) generally accepted by law enforcement agencies; or

12 (2) designated by the commission.

13 (d) The finance commission shall adopt rules necessary to
14 implement this section. The rules must:

15 (1) require a complete description of the goods
16 purchased, accepted in pawn, or otherwise acquired by the
17 pawnbroker, including any available model numbers and serial
18 numbers and other identifying characteristics; and

19 (2) require the name and address of and the driver's
20 license number, military identification number, or other official
21 number that identifies the person pledging or selling goods.

22 (e) A pawnbroker who fails to report an item under this
23 section is subject to an administrative penalty under Section
24 371.303 in an amount not to exceed \$500 for each item not reported.
25 The commissioner may not assess an administrative penalty against a
26 pawnbroker who makes a good faith effort to report goods
27 electronically under this section, including a pawnbroker who is

1 unable to submit a report due to technical problems beyond the
2 pawnbroker's control.

3 (f) Information reported to law enforcement agencies under
4 this section may be used by those agencies only for law enforcement
5 purposes.

6 SECTION 4. Section 371.181, Finance Code, as amended by
7 this Act, applies only to goods purchased, accepted in pawn, or
8 otherwise acquired by the pawnbroker on or after January 1, 2019.
9 Goods purchased, accepted in pawn, or otherwise acquired by the
10 pawnbroker before January 1, 2019, are governed by the law in effect
11 immediately before the effective date of this Act, and the former
12 law is continued in effect for that purpose.

13 SECTION 5. The reporting database required by Section
14 371.181, Finance Code, as amended by this Act, must be implemented
15 not later than December 31, 2018.

16 SECTION 6. This Act takes effect September 1, 2017.