

## **BILL ANALYSIS**

C.S.H.B. 2382  
By: Thompson, Senfronia  
Pensions, Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Jewelers are currently allowed to purchase crafted precious metals from the public without reporting the purchase to the appropriate authority as long as the jeweler pays more than 105 percent of the scrap value of the item. Crafted precious metals statues are convoluted and offer little to no protection to victims who have had jewelry stolen and then sold. Dealers of crafted precious metals are currently required to submit information to the chief of police or sheriff in the jurisdiction where the transaction occurred. However, there is no requirement that these dealers file a report with a nationwide database, which makes it difficult to effectively or efficiently locate information on stolen jewelry. Many dealers conduct transactions in multiple jurisdictions within and outside of Texas and, due to the small size of crafted precious metal, it is easily movable from one location to another. A law enforcement agency has no way to know where a stolen item was purchased if it was recorded in a different jurisdiction. C.S.H.B. 2382 seeks to strengthen reporting requirements for crafted precious metals transactions to ensure that law enforcement agencies have adequate documentation to address cases of stolen goods by requiring crafted precious metal dealers in Texas to report all crafted precious metal, regardless of value, the dealer purchases or accepts to a database designated by the Finance Commission of Texas or through an alternative reporting procedure established by the commission.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Finance Commission of Texas in SECTION 3 of this bill.

### **ANALYSIS**

C.S.H.B. 2382 amends the Occupations Code to set out and revise provisions regulating the sale of crafted precious metal to registered dealers as follows:

- removes the provision exempting an item selling at 105 percent or more of the scrap value of the item from classification as a crafted precious metal;
- replaces the requirement that the original and a copy of a report on all identifiable crafted precious metal that a dealer purchases, takes in trade, accepts for sale on consignment, or accepts for auction with respect to such a transaction that occurs in a municipality that maintains a police department be submitted to the municipality's chief of police or, with respect to a transaction that does not occur in such a municipality, to the sheriff of the county in which the transaction occurs with a requirement that a dealer submit the report to an online database that is used by law enforcement agencies to investigate offenses related to crafted precious metal and other property and designated by the Finance Commission of Texas for the submission of those reports;

- requires the commission, by rule and not later than December 1, 2023, to designate the database to which a dealer is required to report;
- requires the commission, if it determines that no appropriate online database exists for submitting the reports, to establish by rule an alternative procedure under which dealers must submit the reports;
- replaces the requirement that the dealer mail or deliver a complete copy of a list describing all of a person's crafted precious metal to be accepted by the dealer to the chief of police or the sheriff, as applicable, not later than 48 hours after the person files the list with the dealer with a requirement that the dealer submit that list to the designated online database not later than 48 hours after the person files the list with the dealer;
- requires a dealer to use the database to submit such a required report and list with respect to a transaction that occurs on or after January 1, 2024; and
- expands the conduct that constitutes a Class B misdemeanor offense relating to the sale of crafted precious metal to dealers to include failing to permit inspection of crafted precious metal as required by state law.

The bill applies only to an offense committed on or after the bill's effective date. The bill provides for the continuation of the law in effect before the bill's effective date for purposes of an offense, or any element thereof, that occurred before that date.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 2382 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute replaces the entity responsible for designating the database from the Department of Public Safety, as in the introduced, to the Finance Commission of Texas.

Whereas the introduced required the database to be used by a dealer for reporting each regulated transaction of crafted precious metals in addition to the report submitted to the chief of police or sheriff, as applicable, the substitute requires all reports of crafted precious metals purchased and accepted by the dealer and lists filed with the dealer regarding those items to be submitted using the database instead of to the chief of police or sheriff.

The substitute includes a requirement absent from the introduced for the commission to establish by rule an alternative procedure under which a dealer may submit required reports if the commission determines no appropriate online database exists for the submission.