

PART VII. PRECIOUS METALS

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501.	PURCHASE AND SALE OF PRECIOUS METALS	501.1

Authority

The provisions of this Part VII issued under act of February 24, 1984 (P. L. 92, No. 17) (73 P. S. §§ 1931—1942), unless otherwise noted.

Source

The provisions of this Part VII adopted November 23, 1984, effective November 24, 1984, 14 Pa.B. 4282, unless otherwise noted.

CHAPTER 501. PURCHASE AND SALE OF PRECIOUS METALS

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§ 501.1. Scope.

This chapter prescribes the information that county sheriffs shall obtain from persons or businesses seeking to be licensed as precious metals dealers, the information and verification practices the dealers shall carry out in recording precious metals transactions, the fee for an annual license as a precious metals dealer, the provisions for posting prices and the standards for scales and weighing devices. This chapter implements parts of the act so as to render the act enforceable, and parties administering or conducting business under the act shall familiarize themselves with it. The act does not supersede or preclude the adoption of a municipal ordinance applicable to dealers in precious metals if the municipal ordinance meets the minimum requirements of the act.

§ 501.2. Definitions.

(a) The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Act—The act of February 24, 1984 (P. L. 92, No. 17) (73 P. S. §§ 1931—1942).

Dealer in precious metals—An individual, partnership, association, corporation or business entity, who or which purchases precious metals from the general public for resale or refining or an individual who acts as agent for the individual, partnership, association, corporation or business entity for the purchases. The term does not include financial institutions licensed under Federal or State banking laws, the purchaser of precious metals who purchases from a seller seeking a trade-in or allowance, the manufacturers of jewelry or of other items composed, in whole or in part, of gold, silver or platinum and the purchaser of precious metals for his own use or ownership and not for resale or refining.

Precious metals—Items containing or being of gold, silver or platinum, including, but not limited to, jewelry and silver services. The term does not include coins, ingots, bullion or photographic film or articles containing less than 5% of gold, silver or platinum by weight.

(b) Other words and terms used in this chapter have the meanings contained in section 1 of the act (73 P. S. § 1931).

§ 501.3. License applications.

An application for an annual license as a dealer in precious metals shall be submitted to the sheriff of each county in which the dealer purchases precious metals. The dealer applicant shall provide all of the information required by § 501.4 (relating to information to be provided in license applications) in a complete, accurate and legible manner on a form to be supplied by the county sheriff. Forms that satisfy the informational requirements of § 501.4 are deemed approved by the Office of Attorney General.

§ 501.4. Information to be provided in license applications.

- (a) *Individuals*. Individuals shall provide the following information:
- (1) Full name, any previous names and any aliases.
 - (2) Current address and telephone number and complete address of all residences during the preceding 5 years.
 - (3) Age.
 - (4) Sex.
 - (5) Name, address and telephone number of the applicant's employer, if any.
 - (6) Address and telephone number of the applicant's place of business.
 - (7) Name under which the applicant's business will be operated and, if the business is to be conducted under an assumed or fictitious name, the date of registration of the fictitious name.
 - (8) Whether the applicant has been indicted or convicted of a crime in this Commonwealth or elsewhere.

(9) Whether the applicant has ever had an application for a precious metals dealer license rejected or has ever had a precious metals dealer license suspended, cancelled or revoked by a Federal, State or municipal authority.

(b) *Business combinations.* Business combinations shall provide the following information:

(1) Name under which the business will be operated, and, if the business is to be conducted under an assumed or fictitious name, the date of registration of the fictitious name.

(2) Address and telephone number of the applicant's place of business.

(3) For Commonwealth corporations, the date of incorporation and for foreign corporations, the date of registration in the Commonwealth and the name of the state in which they are incorporated and the date of incorporation.

(4) For all business partners or for all corporate officers and all members of the corporation's board of directors, the information required of individuals in subsection (a)(1)—(4).

(5) For the applicant business organization and for each of its partners or officers, the information required of individuals in subsection (a)(8) and (9).

(6) The complete name, address and telephone number of an office manager.

Cross References

This section cited in 37 Pa. Code § 501.3 (relating to license applications).

§ 501.5. License fee.

The annual license fee is \$50 payable at the time application is made to the county treasurer to be paid in a form satisfactory to the county treasurer.

§ 501.6. Records of transactions.

The dealer shall completely, accurately and legibly record every transaction on a form provided by and prepared by the dealer. Forms that meet all of the requirements for information as set forth in this section are deemed approved by the Office of Attorney General. The record of every transaction shall include:

(1) The name, address, age, sex, race and driver's license number, if any, of the seller shall be entered.

(2) The identity of the seller shall be established by requiring the seller to produce an identification issued by a governmental agency with a photo of the seller thereon, if available, and at least one other corroborating means of identification. Otherwise, identification sufficient to reliably establish the person's true identity shall be required.

(3) The seller shall be required to sign the form on which is recorded the information required by this section.

(4) An accurate description of the property purchased shall include all names, initials, serial numbers or other identifying marks or monograms on each item purchased.

(5) The time and date of the transaction shall be recorded at the time of the transaction. Records of transactions shall be maintained by the dealer in precious metals for a period of 1 year and shall be available for inspection by any law enforcement official of the Federal Government, the Commonwealth or its municipalities. A copy of every record of transaction shall be delivered or mailed to the district attorney of the county in which a purchase of precious metals is made by the close of the next working day after the day on which the metal is purchased. The district attorney may authorize records to be delivered or mailed to the police department of the municipality in which the precious metal is purchased in lieu of delivery or mailing to the district attorney. Each item of precious metal purchased by a dealer in precious metals shall be retained in unaltered condition for 5 full working days after report of its purchase has been filed with the proper district attorney or his designee.

Cross References

This section cited in 37 Pa. Code § 501.8 (relating to purchase from minors).

§ 501.7. Time and manner of keeping records by district attorneys and police departments.

The record of every transaction received by a district attorney or police department shall be kept in a safe and secure place at an appropriate official location for 24 months. Records of dealer transactions may be made available to law enforcement officials, other governmental entities and persons who, in the opinion of the custodian of the dealer transaction record, should be permitted access, such as an insurance company.

§ 501.8. Purchases from minors.

When a purchase is made from a minor, the written authority of the parent, guardian or person in loco parentis authorizing the sale shall be attached and maintained with the record of transaction described in § 501.6 (relating to records of transactions).

§ 501.9. Posting of prices.

(a) When a weighing device is used to purchase precious metals, there shall be posted, on a conspicuous sign located close to the weighing device, a statement of prices for the precious metals being purchased as a result of the weight determination.

(b) The statement of prices shall include, but not be limited to, the following in terms of the price per troy ounce:

- (1) The price for 24 karat, 18 karat, 14 karat and 10 karat gold.

- (2) The price for pure silver and sterling silver.
- (3) The price for platinum.

(c) When the weight determination is expressed in metric units, a conversion chart to troy ounces shall be prominently displayed so as to facilitate price comparison. The metric equivalent of a troy ounce is 31.10348 grams.

§ 501.10. Scales and weighing devices.

(a) A weighing device used in the purchase of precious metals shall be positioned in such a manner that its indications may be accurately read and the weighing operation observed from a position which may be reasonably assumed by the buyer and the seller. A verbal statement of the result of the weighing shall be made by the person operating the device and recorded on the dealer's record of transaction.

(b) The minimum graduation on the weighing device used for the purchase of precious metals shall not exceed 0.1 gram or 0.1 pennyweight for weighing devices whose capacities are 3,000 grams or 100 troy ounces and less. The minimum weight load permitted to be determined on a weighing device shall not be less than the equivalent of 25 times the smallest graduation on the weighing device.

(c) This section is subject to the Weights and Measures Act of 1965 (73 P. S. §§ 1651—1692).

§ 501.11. Penalties.

(a) The purchase of an item of precious metal by an unlicensed dealer in precious metals shall constitute a violation of the act, and the dealer shall be guilty of a misdemeanor of the third degree.

(b) A licensed dealer in precious metals who violates the act shall be guilty of a misdemeanor of the third degree.

(c) An individual, partnership, association, corporation or business entity violating the act shall, upon conviction, in addition to the penalties set forth in subsections (a) and (b), suffer immediate revocation of an existing license issued under the act and be ineligible to apply for a dealer's license under the act for 5 years thereafter.

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