

Arkansas Code Annotated §17-23-101. Definitions.

As used in this chapter:

(1) (A) "Dealer" means a person, corporation, partnership, or other entity that engages in the business of purchasing precious metals or precious items, or both, for the purpose of reselling the items in any form.

(B) "Dealer" does not include a person, corporation, partnership, or other entity engaged in a business that is exempted under § 17-23-102;

(2) "Permanent place of business" means a fixed premises either owned by the dealer or leased by the dealer for a period of at least one (1) year;

(3) "Person" means any individual, partnership, corporation, association, or other business entity;

(4) "Precious items" means precious or semiprecious stones or pearls whether mounted or unmounted;

(5) "Precious metals" means an article made, in whole or in part, of gold, silver, platinum, or a combination of gold, silver, or platinum;

(6) "Purchase" means the acquisition of a precious metal or a precious item, or both, for a consideration of cash, goods, or other precious metals or precious items; and

(7) "Silver" means sterling silver.

HISTORY: Acts 1981, No. 87, § 1; 1981, No. 541, § 1; A.S.A. 1947, § 71-5401; Acts 2011, No. 1037, § 1.

17-23-102. Exemptions.

The provisions of this chapter shall not apply to the following:

(1) Transactions involving the sale or transfer of precious metals by a wholesale jeweler to a retail jeweler or licensed dealer;

(2) Transactions involving coins regardless of whether or not such coins contain precious metals;

(3) Any financial institution, which is covered by federal or state deposit insurance;

(4) Any person doing business under the laws of this state or the United States relating to any broker-dealer, or commodity futures commission merchant, or commodity trading advisor or agent duly registered and regulated by the State Securities Department or the United States Commodity Futures Trading Commission; or

(5) Pawn brokers.

HISTORY: Acts 1981, No. 87, § 1; 1981, No. 541, § 1; A.S.A. 1947, § 71-5401; Acts 1991, No. 729, § 1; 2011, No. 1037, § 2.

17-23-103. Penalties.

(a) Every person who shall violate the provisions of this chapter and be found guilty shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than one (1) year, or both.

(b) If the value of the property involved in a transaction which is in violation of this chapter exceeds five hundred dollars (\$500), a person convicted of a violation shall be fined not more than two thousand dollars (\$2,000) or imprisoned for not more than three (3) years, or both.

HISTORY: Acts 1981, No. 87, § 7; A.S.A. 1947, § 71-5407.

17-23-201. Registration required.

A person shall not engage in the business of purchasing precious metals or precious items from the general public for the purpose of reselling the precious metals or precious items in any condition without first registering with the local law enforcement agency in the jurisdiction in which the business or the seller is located.

HISTORY: Acts 1981, No. 87, § 1; 1981, No. 541, § 1; A.S.A. 1947, § 71-5401; Acts 1991, No. 729, § 2; 2011, No. 1037, § 3.

17-23-202. Registration.

(a) (1) A dealer shall register with local law enforcement in writing and on the form prescribed by the local law enforcement agency at least twenty-four (24) hours prior to conducting business in that jurisdiction.

(2) The registration shall include:

(A) (i) The name of the registrant.

(ii) If the registrant is a partnership or association, the name of each member of the partnership or association.

(iii) If the registrant is a corporation, the name of each officer and director and of the principal owner or owners of the issued and outstanding capital stock in the corporation;

(B) The residence and business address for each person listed under subdivision (a)(2)(A) of this section;

(C) The city or town with the street and number where the business is to be conducted;

(D) A statement that the registrant has:

(i) A bona fide established place of business used primarily for the purchase of precious metals and precious items; and

(ii) A telephone number listed in the name of the business; and

(E) The name, address, and telephone number of the person designated to receive legal process in the event of the commencement of any legal action in any court against the registrant.

(b) A nonresident applicant shall provide the principal place of business without the state and such further information as the department may require for the administration of its duties under this chapter.

HISTORY: Acts 1981, No. 87, § 2; 1983, No. 374, § 1; A.S.A. 1947, § 71-5402; Acts 2011, No. 1037, § 4.

17-23-203. Seller identification.

(a) A dealer required to register under this chapter shall require the following from each seller of precious metals or precious items:

(1) Proof of identification in the form of a valid driver's license, identification card, armed services identification card, or other valid photo identification;

(2) A signed statement stating that the seller is the legal owner of the property or is the agent of the owner authorized to sell the property, and when and where or in what manner the property was obtained; and

(3) A legible print of his or her right thumb as an identifying mark on the form.

(b) (1) A dealer shall not purchase precious metals or precious items from a person

under eighteen (18) years of age unless the person is accompanied by a parent or guardian who provides identification that establishes that relationship.

(2) Both the person under eighteen (18) years of age and the parent or guardian shall submit the identification required under subdivision (a)(1) of this section, and records of the identification of both shall be maintained as provided under § 17-23-206.

HISTORY: Acts 1981, No. 87, § 3; 1983, No. 374, § 2; A.S.A. 1947, § 71-5403; Acts 2011, No. 1037, § 5.

17-23-204. Melt-down bullion.

When a proposed transaction involves the buying of precious metal bulk bullion which appears to have been the result of a melt-down of a former article containing a precious metal, the buyer must first inquire as to what was the source of the item before the melt-down and must notify the Department of Arkansas State Police or the office of the county sheriff or municipal police department and obtain permission from that law enforcement agency before consummating any agreement.

HISTORY: Acts 1981, No. 87, § 3; 1983, No. 374, § 2; A.S.A. 1947, § 71-5403.

17-23-205. Disclosures.

Every person required to be licensed under this chapter shall inform the prospective seller of the price per ounce currently being paid for the particular precious metal offered by the prospective seller, and the precious metals shall be weighed in full sight of the prospective seller.

HISTORY: Acts 1981, No. 87, § 3; 1983, No. 374, § 2; A.S.A. 1947, § 71-5403.

17-23-206. Records.

(a) Every person registered under this chapter shall keep a record book containing a comprehensive record of all transactions concerning precious metals or precious items.

(b) The record shall include:

(1) The name, address, and telephone number of the seller;

(2) The date of birth of the seller;

(3) The signature of the seller;

(4) A description of the seller, including height, weight, race, complexion, and hair color;

(5) The driver's license, identification card, or other photo identification number provided under § 17-23-203(a)(1) and the jurisdiction of issuance; and

(6) A complete and accurate description of the property purchased, including any serial numbers or other identifying marks or symbols and the date and hour of the transaction.

(c) All persons registered under this chapter shall at least weekly deliver or mail to the chief law enforcement officer of the city or town or the sheriff of the county in which the business is located a written or electronic copy of all entries in the record required to be kept by subsections (a) and (b) of this section during the preceding seven-day period.

(d) All records and reports received by the chief law enforcement officer of the city or town or sheriff of the county shall be available for inspection only by law enforcement officers for law enforcement purposes.

HISTORY: Acts 1981, No. 87, §§ 4, 5; 1981, No. 541, §§ 2, 3; 1983, No. 374, § 3; A.S.A. 1947, §§ 71-5404, 71-5405; Acts 2011, No. 1037, § 6.

17-23-207. Holding periods.

(a) All persons registered under this chapter shall retain possession of precious metals or precious items in an unaltered condition for fifteen (15) business days after delivering the list to the chief law enforcement officer of the city or town or sheriff of the county as required under § 17-23-206.

(b) If the chief law enforcement officer of the city or town or sheriff of the county or the prosecuting attorney has probable cause to believe that precious metals or precious items have been stolen, he or she may give notice to the registrant to retain the precious metal or precious item for a specific period of time.

HISTORY: Acts 1981, No. 87, § 5; 1981, No. 541, § 3; A.S.A. 1947, § 71-5405; Acts 2011, No. 1037, § 7.

17-23-208. Disposition of funds.

All fees collected under the provisions of this chapter shall be classified as special revenues and shall be deposited in the Department of Arkansas State Police Fund.

HISTORY: Acts 1981, No. 87, § 8; A.S.A. 1947, § 71-5408.