

§ 54.1-4100. Definitions.

For the purposes of this chapter, unless the context requires a different meaning:

"Coin" means any piece of gold, silver or other metal fashioned into a prescribed shape, weight and degree of fineness, stamped by authority of a government with certain marks and devices, and having a certain fixed value as money.

"Dealer" means any person, firm, partnership, or corporation engaged in the business of (i) purchasing secondhand precious metals or gems; (ii) removing in any manner precious metals or gems from manufactured articles not then owned by the person, firm, partnership, or corporation; or (iii) buying, acquiring, or selling precious metals or gems removed from manufactured articles. "Dealer" includes all employers and principals on whose behalf a purchase is made, and any employee or agent who makes any purchase for or on behalf of his employer or principal.

The definition of "dealer" shall not include persons engaged in the following:

1. Purchases of precious metals or gems directly from other dealers, manufacturers, or wholesalers for retail or wholesale inventories, provided that the selling dealer has complied with the provisions of this chapter.
2. Purchases of precious metals or gems from a qualified fiduciary who is disposing of the assets of an estate being administered by the fiduciary.
3. Acceptance by a retail merchant of trade-in merchandise previously sold by the retail merchant to the person presenting that merchandise for trade-in.
4. Repairing, restoring or designing jewelry by a retail merchant, if such activities are within his normal course of business.
5. Purchases of precious metals or gems by industrial refiners and manufacturers, insofar as such purchases are made directly from retail merchants, wholesalers, dealers, or by mail originating outside the Commonwealth.
6. Persons regularly engaged in the business of purchasing and processing nonprecious scrap metals which incidentally may contain traces of precious metals recoverable as a by-product.

"Gems" means any item containing precious or semiprecious stones customarily used in jewelry.

"Precious metals" means any item except coins composed in whole or in part of gold, silver, platinum, or platinum alloys.

(1981, c. 581, § 54-859.15; 1988, c. 765.)

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§ 54.1-4101. Records to be kept; copy furnished to local authorities.

A. Every dealer shall keep at his place of business an accurate and legible record of each purchase of precious metals or gems. The record of each purchase shall be retained by the dealer for at least twenty-four months and shall set forth the following:

1. A complete description of all precious metals or gems purchased from each seller. The description shall include all names, initials, serial numbers or other identifying marks or monograms on each item purchased, the true weight or carat of any gem, and the price paid for each item;
2. The date, time and place of receiving the items purchased;
3. The full name, residence address, work place, home and work telephone numbers, date of birth, sex, race, height, weight, hair and eye color, and other identifying marks;
4. Verification of the identification by the exhibition of a government-issued identification card such as a driver's license or military identification card. The record shall contain the type of identification exhibited, the issuing agency, and the number thereon; and
5. A statement of ownership from the seller.

B. The information required by subdivisions 1 through 3 of subsection A of this section shall appear on each bill of sale for all precious metals and gems purchased by a dealer, and a copy shall be mailed or delivered within twenty-four hours of the time of purchase to the chief law-enforcement officer of the locality in which the purchase was made.

(1981, c. 581, § 54-859.16; 1986, c. 316; 1988, c. 765; 1990, c. 783; 1991, c. 174.)

§ 54.1-4101.1. Officers may examine records or property; warrantless search and seizure authorized.

Every dealer or his employee shall admit to his place of business during regular business hours the chief law-enforcement officer or his designee of the jurisdiction in which the dealer is located or any law-enforcement officer of the state or federal government. The dealer or his employee shall permit the officer to (i) examine all records required by this chapter and any article listed in a record which is believed by the officer to be missing or stolen and (ii) search for and take into possession any article known to him to be missing, or known or believed by him to have been stolen.

(1991, c. 174.)

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§ 54.1-4102. Credentials and statement of ownership required from seller.

No dealer shall purchase precious metals or gems without first (i) ascertaining the identity of the seller by requiring an identification issued by a governmental agency with a photograph of the seller thereon, and at least one other corroborating means of identification, and (ii) obtaining a statement of ownership from the seller.

The governing body of the locality wherein the dealer conducts his business may determine the contents of the statement of ownership.

(1981, c. 581, § 54-859.17; 1986, c. 316; 1988, c. 765.)

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§ 54.1-4103. Prohibited purchases.

A. No dealer shall purchase precious metals or gems from any seller who is under the age of eighteen.

B. No dealer shall purchase precious metals or gems from any seller who the dealer believes or has reason to believe is not the owner of such items, unless the seller has written and duly authenticated authorization from the owner permitting and directing such sale.

(1981, c. 581, § 54-859.18; 1988, c. 765.)

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§ 54.1-4104. Dealer to retain purchases.

A. The dealer shall retain all precious metals or gems purchased for a minimum of ten calendar days from the date on which a copy of the bill of sale is received by the chief law-enforcement officer of the locality in which the purchase is made. Until the expiration of this period, the dealer shall not sell, alter, or dispose of a purchased item in whole or in part, or remove it from the county, city, or town in which the purchase was made.

B. If a dealer performs the service of removing precious metals or gems, he shall retain the metals or gems removed and the article from which the removal was made for a period of ten calendar days after receiving such article and precious metals or gems.

(1981, c. 581, § 54-859.19; 1988, c. 765.)

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§ 54.1-4105. Record of disposition.

Each dealer shall maintain for at least twenty-four months an accurate and legible record of the name and address of the person, firm, or corporation to which he sells any precious metal or gem in its original form after the waiting period required by § **54.1-4104**. This record shall also show the name and address of the seller from whom the dealer purchased the item.

(1981, c. 581, § 54-859.20; 1988, c. 765.)

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§ 54.1-4106. Bond or letter of credit required of dealers when permit obtained.

A. Every dealer shall secure a permit as required by § 54.1-4108, and each dealer at the time of obtaining such permit shall enter into a recognizance to the Commonwealth secured by a corporate surety authorized to do business in this Commonwealth, in the penal sum of \$10,000, conditioned upon due observance of the terms of this chapter. In lieu of a bond, a dealer may cause to be issued by a bank authorized to do business in the Commonwealth a letter of credit in favor of the Commonwealth for \$10,000.

B. If any county, city, or town has an ordinance which regulates the purchase and sale of precious metals and gems pursuant to § 54.1-4111, such bond or letter of credit shall be executed in favor of the local governing body.

C. A single bond upon an employer or principal may be written or a single letter of credit issued to cover all employees and all transactions occurring at a single location.

(1981, c. 581, § 54-859.21; 1988, c. 765.)

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§ 54.1-4107. Private action on bond or letter of credit.

Any person aggrieved by the misconduct of any dealer which violated the provisions of this chapter may maintain an action for recovery in any court of proper jurisdiction against the dealer and his surety. Recovery against the surety shall be only for that amount of the judgment which is unsatisfied by the dealer.

(1981, c. 581, § 54-859.22; 1988, c. 765.)

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§ 54.1-4108. Permit required; method of obtaining permit; no convictions of certain crimes; approval of weighing devices; renewal; permanent location required.

A. No person shall engage in the activities of a dealer as defined in § 54.1-4100 without first obtaining a permit from the chief law-enforcement officer of each county, city, or town in which he proposes to engage in business.

B. To obtain a permit, the dealer shall file with the proper chief law-enforcement officer an application form which includes the dealer's full name, any aliases, address, age, date of birth, sex, and fingerprints; the name, address, and telephone number of the applicant's employer, if any; and the location of the dealer's place of business. Upon filing this application and the payment of a \$200 application fee, the dealer shall be issued a permit by the chief law-enforcement officer or his designee, provided that the applicant has not been convicted of a felony or crime of moral turpitude within seven years prior to the date of application. The permit shall be denied if the applicant has been denied a permit or has had a permit revoked under any ordinance similar in substance to the provisions of this chapter.

C. Before a permit may be issued, the dealer must have all weighing devices used in his business inspected and approved by local or state weights and measures officials and present written evidence of such approval to the proper chief law-enforcement officer.

D. This permit shall be valid for one year from the date issued and may be renewed in the same manner as such permit was initially obtained with an annual permit fee of \$200. No permit shall be transferable.

E. If the business of the dealer is not operated without interruption, with Saturdays, Sundays, and recognized holidays excepted, the dealer shall notify the proper chief law-enforcement officer of all closings and reopenings of such business. The business of a dealer shall be conducted only from the fixed and permanent location specified in his application for a permit.

(1981, c. 581, § 54-859.23; 1986, c. 316; 1988, c. 765.)

§ 54.1-4109. Exemptions from chapter.

A. The chief law-enforcement officer of a county, city or town, or his designee, may waive by written notice implementation of any one or more of the provisions of this chapter, except § 54.1-4103, for particular numismatic, gem, or antique exhibitions or craft shows sponsored by nonprofit organizations, provided that the purpose of the exhibitions is nonprofit in nature, notwithstanding the fact that there may be casual purchases and trades made at such exhibitions.

B. Neither the provisions of this chapter nor any local ordinances dealing with the subject matter of this chapter shall apply to the sale or purchase of coins.

C. Neither the provisions of this chapter nor any local ordinance dealing with the subject matter of this chapter shall apply to any bank, branch thereof, trust company or bank holding company, or any wholly owned subsidiary thereof, engaged in buying and selling gold and silver bullion.

(1981, c. 581, §§ 54-859.24, 54-859.27; 1984, c. 583, § 54-859.28; 1988, c. 765.)

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§ 54.1-4110. Penalties; first and subsequent offenses.

A. Any person convicted of violating any of the provisions of this chapter shall be guilty of a Class 2 misdemeanor for the first offense. Upon conviction of any subsequent offense he shall be guilty of a Class 1 misdemeanor.

B. Upon the first conviction of a dealer for violation of any provision of this chapter, the chief law-enforcement officer may revoke the dealer's permit for one full year from the date the conviction becomes final. Such revocation shall be mandatory for two full years from the date the conviction becomes final upon a second conviction.

(1981, c. 581, § 54-859.25; 1988, c. 765; 2010, c. 100.)

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§ 54.1-4111. Local ordinances.

Nothing in this chapter shall prevent any county, city, or town in this Commonwealth from enacting an ordinance regulating dealers in precious metals and gems which parallels this chapter, or which imposes terms, conditions, and fees that are stricter, more comprehensive, or larger than those imposed by this chapter. In any event, the terms, conditions, and fees imposed by this chapter shall constitute minimum requirements in any local ordinance. Any fee in excess of the one specified in § 54.1-4108 shall be reasonably related to the cost of enforcement of such local ordinance.

(1981, c. 581, § 54-859.26; 1988, c. 765.)

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