

## **BILL ANALYSIS**

Senate Research Center  
82R9076 NC-D

S.B. 1450  
By: Zaffirini  
Business & Commerce  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The purpose of S.B. 1450 is to regulate cash-for-gold establishments by including them in the regulatory scheme that applies to hawkers, peddlers, and pawnbrokers. Cash-for-gold establishments are proliferating in the City of Laredo, as they are elsewhere in the state. Such establishments are largely unregulated and unaccounted for, and may be subject to abuse. Many Laredo citizens believe a direct correlation exists between the rise of cash-for-gold establishments and the rise in home and vehicle theft. Since cash-for-gold establishments do not keep a record of cashed items, melt down the jewelry almost immediately, and perform very informal transactions, it is very difficult for the Laredo Police Department to track down stolen items.

Currently, under Section 215.031 (Hawkers; Peddlers; Pawnbrokers), Local Government Code, hawkers, peddlers, and pawnbrokers are regulated. This, however, does not include cash-for-gold establishments. S.B. 1450 would regulate cash-for-gold establishments found in malls and shopping areas by requiring background checks on employees, and requiring businesses to wait 21 business days to give cash on a gold item. These measures would allow the Laredo Police Department and other Police Departments across the state the time to track down any stolen items from law-abiding citizens.

As proposed, S.B. 1450 amends current law relating to the regulation of crafted precious metal dealers and provides a criminal penalty.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 215.031, Local Government Code, as follows:

Sec. 215.031. New heading: HAWKERS; PEDDLERS; PAWNBROKERS; CASH-FOR-GOLD ESTABLISHMENTS. Authorizes the governing body of the municipality to license, tax, suppress, prevent, or otherwise regulate hawkers, peddlers, pawnbrokers, and cash-for-gold establishments. Makes a nonsubstantive change.

SECTION 2. Amends Subchapter B, Chapter 1956, Occupations Code, by adding Section 1956.0611, as follows:

Sec. 1956.0611. CRIMINAL BACKGROUND CHECK REQUIRED. (a) Requires a dealer to conduct a criminal background check on an applicant for employment with the dealer.

(b) Prohibits a dealer from employing a person who has been convicted of a felony offense or an offense under Section 31.03 (Theft), Penal Code.

SECTION 3. Amends Section 1956.064(a), Occupations Code, to prohibit a dealer from melting, defacing, altering, or disposing of crafted precious metal that is the subject of a report

required by this subchapter before the 22nd day, rather than the 11th day, after the date the report is filed unless the peace officer to whom the report is submitted, for good cause, authorizes disposition of the metal; the dealer obtains the name, address, and description of the buyer and retains a record of that information; or the dealer is a pawnbroker and the disposition is the redemption of pledged property by the pledgor.

SECTION 4. Amends Section 1956.069(a), Occupations Code, to provide that a dealer commits an offense if the dealer performs certain actions, including violating Section 1956.0611. Makes nonsubstantive changes.

SECTION 5. Makes application of Section 1956.064(a), Occupations Code, as amended by this Act, prospective.

SECTION 6. Effective date: September 1, 2011.