

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**SECONDHAND DEALERS: Provides for the purchase of used or secondhand goods.**

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DIGEST

Present law provides that every person in this state engaged in the business of buying, selling, trading in, or otherwise acquiring or disposing of junk or used or secondhand property is a secondhand dealer. Present law further provides that anyone, other than a nonprofit entity, who buys, sells, trades in, or otherwise acquires or disposes of junk or used or secondhand property more frequently than once per month from any other person, other than a nonprofit entity, shall be deemed as being engaged in the business of a secondhand dealer.

Present law provides that, except as provided for the prohibition against cash payments and the prohibition against selling uniforms of law enforcement and utilities, the provisions of present law shall not apply to the following:

- (1) Dealers in coins and currency, dealers in antiques, nor to gun and knife shows or other trade and hobby shows.
- (2) Persons solely engaged in the business of buying, selling, trading in, or otherwise acquiring or disposing of motor vehicles and used parts of motor vehicles, and shall not apply to wreckers or dismantlers of motor vehicles who are licensed under the provisions of R.S. 32:783 et seq.
- (3) Private residential sales commonly known as "garage sales" or "yard sales" as long as such sales take place at a residential address.
- (4) Any bona fide charity possessing a valid exemption under Section 501(c)(3) of the Internal Revenue Code.
- (5) Collectors, transporters, or disposers of waste whose waste collection, transportation, and disposal activities are regulated by the Dept. of Environmental Quality, or persons who collect, transport, or manage recyclable materials pursuant to a residential collection, recycling, or disposal contract with a municipality or political subdivision.

Proposed law retains present law but removes automobile tires and rims from the scope of the exemptions, clarifies the exemption for solid waste collectors, and adds an exemption for the purchase of educational course materials.

Present law prohibits a person from doing business as a secondhand dealer in this state without having first obtained the license required by law.

Proposed law retains present law but specifies that required license is an occupational license.

Present law requires every secondhand dealer to obtain a photograph of a person selling or delivering merchandise or articles to the dealer.

Proposed law retains present law but narrows the requirement to merchandise with a fair market value of \$100 or greater.

Present law provides that, pursuant to a request from a law enforcement agency, a secondhand dealer shall capture photographically used merchandise or articles purchased and make the photographs available to the law enforcement agency within 24 hours after the request.

Proposed law retains present law, but narrows the requirement to used merchandise or articles that are uniquely identifiable.

Present law prohibits a secondhand dealer from entering into any cash transactions in payment for the purchase of junk or used or secondhand property.

Proposed law prohibits a secondhand dealer from entering into any cash transactions in payment for the purchase of copper. Proposed law requires payment for copper to be made in the form of a check issued to the seller of the metal and mailed to the address recorded on the photo identification of the seller no earlier than five business days after the date of the transaction.

Proposed law prohibits a secondhand dealer from entering into any cash transactions in excess of \$300 for the purchase of metal property other than copper. Payments in excess of \$300 for metals other than copper are to be made in the form of a check made payable to the seller of the metal and may be tendered to the seller at the time of the transaction. The secondhand dealer, at his discretion, may make payment by either cash or other method for transactions of \$300 or less for all metals other than copper.

Proposed law requires all payments made by check to be reported separately in the daily reports required by proposed law.

Proposed law prohibits a secondhand dealer from allowing a seller to engage in multiple transactions within a 24 hour period totaling more than \$300.00 for the purpose of circumventing proposed law.

Proposed law prohibits a secondhand dealer from cashing, offering to cash, or providing the means for exchanging for cash a check issued to a seller on the premises of the secondhand dealer's place of business, including but not limited to the use of an automatic teller machine.

Proposed law provides that violations shall be subject to the penalties provided for in proposed law.

Present law requires a secondhand dealer to record the license plate number of the seller of the used property.

Proposed law repeals present law.

Present law contains an exemption for retail tire outlets or automobile dealers dealing in tires.

Proposed law repeals present law.

(Amends R.S. 37:1861(B)(2) and (5), 1862(A), 1864.1(A), 1864.2(C), and 1864.3; Adds R.S. 37:1861(B)(6); Repeals R.S. 37:1862(B), 1864(A)(1)(d), 1864.1(C)(2), and 1867(B))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the engrossed bill

1. Specifies that a secondhand dealer shall not allow a seller to engage in multiple transactions within a 24 hour period totaling more than \$300 for the purpose of circumventing the law.
2. Changes "Except as provided in R.S. 37:1864.3 and 1869.1" to "Except as provided in R.S. 37:1869.1".