

MEMORANDUM

TO: All House Members
FROM: Representative Eugene DePasquale
DATE: May 2, 2012
SUBJECT: Secondhand Precious Metal Dealers

Recently my office received a letter from a number of jewelers in my district expressing deep concern about the current statute affecting the sale of precious metals in the state. At this time, the statute permits out-of-state dealers to come in, purchase a license for a low fee and set up "cash for gold" operations in local hotels. This practice not only harms honest, well-established local businesses, but allows profits and potential tax revenues to leave the state on a regular basis. Additionally, these temporary businesses often employ false advertising and the use of high pressure tactics to prey on our citizens, especially the elderly.

Currently, the Pennsylvania Precious Metal Sale Regulation Law allows out-of-state dealers to purchase a license at a relatively low cost, pay no taxes, and immediately remove the goods from the state. Failing to hold out-of-state businesses to the same standards as resident businesses penalizes our business owners who pay taxes and invest the profits they earn in both local and state economies. We must act immediately to end this practice.

My bill will amend the Pennsylvania Precious Metal Sale Regulation Law by raising the licensing fee and centralizing the registration of dealers of precious metals and objects under a single statewide clearinghouse. Furthermore, it will raise the time period that items are retained from five to eighteen days after the sale. Finally, my bill increases the penalties for violation of the statute. Licensing fees and fees paid in violation of this statute would be sent to the state's General Fund.

Thank you for your attention to this important matter. If you would like to co-sponsor this legislation, please contact Cynthia Clory in my Harrisburg office at (717) 787-7514 or cclory@pahouse.net.