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AB420
Secondhand Dealers
April 2, 2003

Good afternoon, Mr. Chairman and members of Assembly Commerce and Labor. For the record, I am Valerie Weber, Assemblywoman, from District 5, Clark County. I bring before you today, AB420, which is designed to strengthen NRS section 647 regarding dealers in secondhand materials.

Second hand dealers typically buy and sell in the areas of secondhand personal property, antiques and collectibles. As a quick review, this market differs from that of pawnbrokers (located in NRS 646) in that pawnbrokers lend money on the security of pledges, deposits or other secured transactions in personal property.

The **three** goals of this bill are simple.

First, secondhand dealers would now be expanded to include coin dealers and trade show or flea market vendors in the secondhand dealer definition. The threshold for licensure is also set.

Second, the bill requires background checks and prohibits the licensing of a felon. It details provisions of fines for violations of established ordinances.

Finally, the bill allows for other methods of reporting purchased goods and allows for peace officers to place a "hold" on property they believe to be stolen.

Section Changes:

There are **several** sections to walk through with the committee beginning with section 2.

Section 2 defines the term "informal market." Flea markets and swap meets are not currently defined in the chapter and have been added.

Section 3 allows for a peace officer to place a written "hold" on property he or she may believe is stolen. The logic here is simple; as with pawnbrokers, this allows law enforcement to follow up on reporting the secondhand dealer has provided the department.

Currently, a dealer can obtain and sell any property immediately, including stolen merchandise. This differs from the pawnbroker who must hold merchandise for 30 days prior to sale. In working with Las Vegas Metro Police, we have discussed an amendment for an amount of time for the secondhand dealer to "hold" merchandise prior to sale of such. The time established at this time is about 10-15 days. The goal is to capture and retrieve stolen merchandise and not to impede the progress of legitimate businesses.

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Section 5 includes coin shops as secondhand dealers. Problems have been encountered with coin dealers purchasing and selling used jewelry.

This section also excludes individuals who attend a flea market four or fewer occasions a year.

Section 6 expands secondhand dealer reporting mechanisms to the sheriff from written to other forms of communication, including fax, electronic etc. The Board of County Commission or local governing body can capture this under the appropriate ordinance.

Section 7 requires each county to conduct a background check for all secondhand dealers and prohibits the licensing of an individual who has been convicted of a felony. In addition, this section allows the governmental entity to establish fees to carry out these provisions. Finally, the section provides for fines for violations of the chapter.

Section 8 repeats the county language for cities

In summary, AB420 amends the definition of secondhand dealer practices. This legislation allows enhanced cooperation between law enforcement and business in the detection and recover of stolen merchandise in the secondhand market. This benefits local business, law enforcement and most importantly, the consumer.