

**CHAPTER 13  
SECONDHAND DEALERS**

**ARTICLE I. DEALERS IN PRECIOUS METALS, GEMS, ETC.**

Section 13-1. Definitions.

For the purpose of this article, the terms “coin dealer,” “gem” and “precious metals” shall have the meanings ascribed to them in Section 54-659.15 of the Code of Virginia (1950), as amended, as such section may from time to time be amended.

Section 13-2. Permit Required.

No person, partnership, firm or corporation shall engage in the activities of a dealer of precious metals as defined in Section 54-859.15 of the Code of Virginia (1950), as amended, without first obtaining a permit from the town.

Section 13-3. Application for permit: fee.

- (a) Applicants for a permit under this article shall file with the town clerk a sworn application in writing in duplicate, on a form to be furnished by the town clerk, which shall give the following information:
- (1) Applicant’s full name and army aliases;
  - (2) Applicant a home address;
  - (3) Applicants date of birth and sex;
  - (4) A copy of the applicant’s fingerprints;
  - (5) The name, address and telephone number of the applicants employer, if any;
  - (6) Time location of the place of business;
  - (7) A statement of whether or not the applicant has been convicted at any felony or crime or moral turpitude or any municipal ordinance and if so convicted, the nature of the offense and the punishment, or penalty assessed therefore.

In the case of firms or corporations, the forgoing information shall be required for the officers and principal stockholders of said firms and corporations.

- (b) An application fee of two hundred (\$200.00) dollars shall accompany each application.

Section 13-4 Investigation of applicant.

- (a) Upon receipt of said application, the town clerk shall cause to be made an investigation of the applicant’s character and business responsibility if either is found to be unsatisfactory, or the applicant is found to have been convicted of a felony or crime of moral turpitude within seven (7) years prior to the date of the application, the town clerk shall notify the applicant that the permit has been denied and the reasons therefore.

Section 13-5 Issuance of permit.

If, as a result of the investigation of the applicant, the business responsibility and personal character of the applicant are found to be satisfactory, the town clerk shall issue the permit on the following conditions:

- (1) The dealer shall enter into a recognizance to the town secured by a corporate surety authorized to do business in Virginia, in the penal sum of ten thousand (\$10,000.00) dollars. In lieu of a bond, a dealer may cause to be issued by a bank authorized to do business in Virginia a letter of credit

in favor of the town in the sum of ten thousand (\$10,000.00) dollars. 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.

- (2) The dealer presents written evidence to the town clerk that all weighing devices used in his business have been inspected and approved by a weight and measures official of the Commonwealth.

Section 13-6. Expiration of permit; renewal.

The permit issued under this article 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 two hundred (\$200.00) dollars.

Section 13-7. Non-transferability and posting of permit.

The permit issued under this article shall be valid only for the business at the premises listed on the application and shall not be transferable. The permit shall at all time be posted in a public view by the dealer on his business premises.

Section 13-8. Permanent location required.

If the business of the dealer is not operated without interruption, with Saturdays, Sundays and recognized holidays excepted the dealer shall notify the town clerk of all closings and re-openings of such business. The business of the dealer shall be conducted only from the fixed and permanent location specified in the application for a permit.

Section 13-9. Records to be kept; copy to be furnished to the town clerk; inspection of records.

- (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 such purchase shall be retained by the dealer for not less than twenty-four (24) months and shall contain 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 and time of receiving the items purchased; and
  - (3) The name, address, date of birth, sex, race, driver's license number, or social security number, and signature of the seller.
- (b) The information required by 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 thereof shall be mailed or delivered, within twenty-four (24) hours of the time of said purchase of the town police.
- (c) Each dealer shall admit to his premises during regular business hours any federal, state or local law enforcement officer and shall permit such law enforcement officer to examine any article listed in a record which is believed by the officer to be missing or stolen.

Section 13-10. Credentials required from seller.

No dealer shall purchase precious metals or gems without first ascertaining the identity of the seller by

requiring an identification issued by a governmental agency with a photograph of the sell thereon, and at least one other corroborating means of identification.

Section 13-11. Prohibited purchases.

- (a) No dealer shall purchase precious metal or gems from any seller who is under the age of eighteen (18).
- (b) No deal 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.

Section 13-12. Dealer to retain purchases.

- (a) The dealer shall retain all precious metals or gems purchased for a minimum of ten (10) calendar days from the date on which a copy of the bill of sale is received by the town clerk. 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 town.
- (b) If a dealer performs a 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 (10) calendar days after receiving such article and precious metals or gems.

Section 13-13. Record of disposition.

Each dealer shall keep and maintain for at least twenty-four (24) months an accurate and legible record of the name and address of the person, firm or corporation to which he sells any precious metal of gem in its original form after the waiting period required by Section 13-12. This record shall also show the name and address of the seller from who the dealer purchased such item.

Section 13-14. Private action on bond or letter of credit.

If any person shall be aggrieved by the misconduct of any dealer who has violated the provisions of this article, he may maintain an action for recovery in any court of proper jurisdiction against such dealer and his surety, provided that recovery against the surety shall be only for that amount of the judgment, if any which is unsatisfied by the dealer.

Section 13-15. Exemptions from chapter.

The town clerk, or his designee, may waive by written notice implementation of any one or more of the provisions of this article, except Section 13-11, 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.

Section 13-16. Coins exempt.

The provisions of this article shall not apply to the sale or purchase of coins.

Section 13-17. Penalties; first and subsequent offenses.

- (a) Any person convicted of violating any of the provisions of this article 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 by any court of a dealer for violation of any provision of this article, the town clerk may revoke his permit to engage in business as a dealer under this article for a period of one full year from the date the conviction becomes final. Such revocation shall be mandatory upon a second conviction.