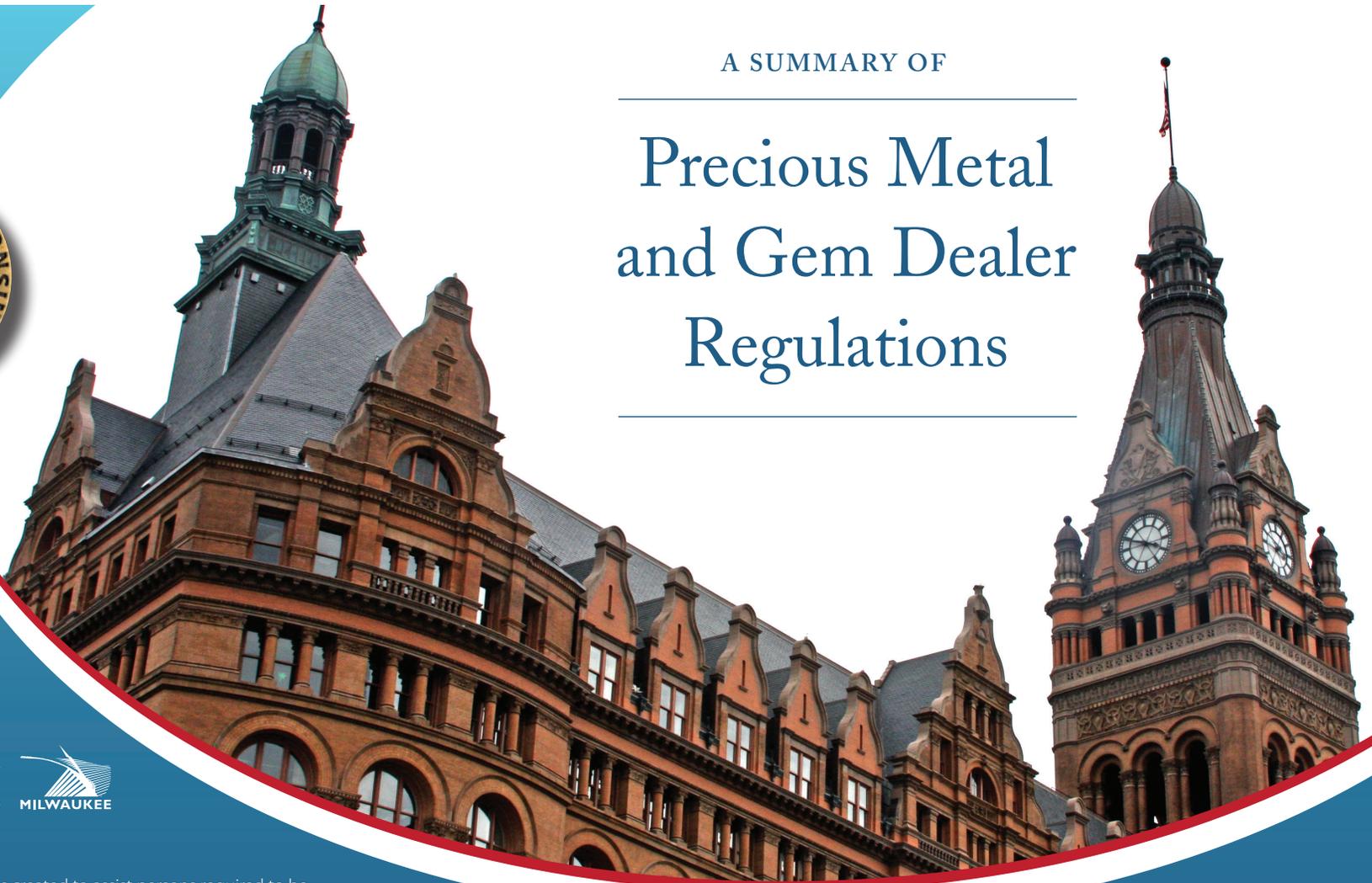


A SUMMARY OF

Precious Metal and Gem Dealer Regulations



LD

LICENSE
DIVISION



Please Note: This brochure was created to assist persons required to be licensed under the provisions of the precious metal and gem dealers ordinance. The brochure is also intended to provide basic information to members of the public who wish to conduct business with precious metal and gem dealers in the sale or exchange of secondhand jewelry, gold, coins or other precious metals and gems. Licensed precious metal and gem dealers are encouraged to make themselves familiar with the provisions of Chapter 92 of the Milwaukee Code of Ordinances ("MCO"). www.milwaukee.gov/ordinances

Office Hours, Walk-in Customer Service, Monday-Friday 8:15 a.m. to 4:30 p.m

City Hall, Room 105
200 E. Wells Street
Milwaukee, WI 53202

Phone (414) 286-2238
Fax (414) 286-3057
www.milwaukee.gov/license
Email: license@milwaukee.gov

Milwaukee Police Department
License Investigation Unit
(414) 935-7430



LICENSE DIVISION

A DIVISION OF THE COMMON COUNCIL - CITY CLERK'S OFFICE



PRECIOUS METAL AND GEM DEALERS; LICENSE REQUIRED:

No person may engage in the business of dealing in, selling and exchanging secondhand jewelry, sterling silverware or gold and silver coins or bullion without a license. MCO 92-10-2-a

“Precious Metal and Gem Dealer” Defined:

“Precious metal and gem dealer” means any person who engages in any transaction of buying, selling or receiving secondhand jewelry, sterling silverware or gold or silver coins or bullion to and from the public. Exception: this definition does not include any business that smelts, refines, assays or manufactures precious metals, gems or valuable articles and has no retail operation open to the public. MCO 92-10-1-c

“Secondhand” Defined:

“Secondhand” means previously owned by a member of the general public immediately prior to the proposed transaction. MCO 92-10-1-d

“Jewelry” Defined:

“Jewelry” means any tangible article of personal property ordinarily wearable on the person consisting in whole or in part of gold, silver, platinum, aluminum, lead, brass, copper, pewter, alexandrite, diamonds, emeralds, garnets, opals, rubies, pearls, jade, and such other metals, minerals or gems customarily regarded as precious or semiprecious. MCO 92-10-1-a

Applicable Ordinances:

Sections 92-10 through 92-13 of the Milwaukee Code of Ordinances provide regulations and licensing requirements for transactions involving secondhand precious metals and gems. These requirements can be accessed at: www.milwaukee.gov/tableofcontents



PRECIOUS METAL AND GEMS REGULATIONS DO NOT APPLY TO THE FOLLOWING:

The precious metals and gems licensing requirements and regulations do not apply to:

1. Transactions at occasional yard sales, or gun, knife, gem or antique shows and conventions.
2. Transactions between licensed secondhand jewelry dealers.
3. Transactions involving smelting, refining, assaying or manufacturing precious metals, gems or valuable articles if no retail business is conducted with the public.
4. Transactions between a buyer of new jewelry and the person who sold the new jewelry involving either the return of the jewelry or the exchange of the jewelry for different, new jewelry.
5. Transactions involving purchase of jewelry from a charitable organization if the jewelry was a gift to the charitable organization.
6. Transactions involving sale of jewelry which the person bought from a charitable organization if the jewelry was a gift to the charitable organization.

Requirements for Identification, Recordkeeping and Reporting:

In addition to the regulations described above, the ordinances include specific details of the manner in which identification may be made and recorded, the types of transaction records that must be maintained and available for inspection, and the reporting of transaction records to the police department. Applicants and dealers are encouraged to review these requirements with representatives of the police department.



APPLICATION FOR DEALER LICENSE AND PLAN OF OPERATION:

Licenses are granted only after investigation by the chief of police. MCO 85-21-2 Application information and forms for a precious metal and gem dealer’s license are available at: www.milwaukee.gov/LicensesPermits

License requirements include the following:

1. The applicant must be of good professional character and not be convicted of any felony, misdemeanor or other offense substantially related to the business of a precious metal and gem dealer.
2. The applicant must have been a resident of Wisconsin continuously for at least 90 days prior to the date of the application.
3. An applicant must pay the license fee required in MCO 81-99.5. MCO 92-10-5

A plan of operation must include:

1. The principal location of the applicant’s business within the city.
2. The location or locations at which the applicant will conduct business as a precious metal and gem dealer within the city.
3. Whether transactions will additionally occur at temporary locations such as door-to-door.
4. The hours of business operation.
5. Plans the applicant has to ensure that business is not conducted with minors except under limited allowable circumstances.
6. Plans the applicant has to provide security.
7. A description of the anticipated proportion of the business that will constitute sales, purchases or other exchanges of gold. MCO 92-10-3-e



REGULATIONS:

1. No purchase or exchange of any property may be made without obtaining the seller’s identification information, a signed declaration of ownership, and color photographs or video recordings of the seller and the property.
2. No item may be received with an altered or obliterated serial number.
3. Description records of any item purchased or exchanged must be maintained at the location identified in the plan of operation.
4. Each transaction description record must be reported to the police department.
5. Every item purchased or exchanged must be available for inspection by the police department at any reasonable time.
6. Every item exchanged or purchased - except gold coins or bullion, or silver coins or bullion, must be kept on the dealer’s premises separate and apart from any other property, unchanged and unaltered, for 30 days for inspection by the police department; additional holding periods may be requested by the department.
7. No transactions may be conducted with a minor less than 18 years of age unless the minor is with a parent or guardian, or the dealer has a written consent on file signed in the dealer’s presence by the parent or guardian.
8. A dealer must report to the police department any item presented in the course of business if there is reason to believe the item was stolen. MCO 92-10-6, 92-11-1 and 92-12-2 and 3

Penalties: Violations of the ordinances regulating the licensing and conduct of precious metal and gems dealers are punishable by forfeitures of up to \$1,000 for a first offense and \$2,000 for each additional offense.