Town of Gilbert – Reporting/Fee Flowchart Monday, July 25, 2011 Are you a 2nd Are you a Junk or Are you a NON Are you buying Hand Dealer 2nd Hand Dealer **PROFIT** Are you a items "in trade" NOT No-▶ selling -No-▶ No→ Organization No→ pawnbroker? for NEW **PRECIOUS** selling precious 501(c)(3) or other merchandise? exempt business? ITEMS? items? Yes Yes nnnnn Yes Yes Yes **Business** Business **Business Business Business** License License License License AND License Required Required Required Special Use Required no reporting fee no reporting fee no reporting fee Permit Required required required required Annual Annual Reporting Fee Reporting Fee Required Required \$500.00 \$5000.00 No Reporting Required Leads Online Leads Online Leads Online Leads Online Reporting

Electronic Reporting:

Reporting

Required

Affected businesses buying and selling used goods and precious items will be responsible for submitting electronic reports through Leads OnLine for all transactions meeting the states' statutes and Municipal Code guidelines within 24 hours.

Reporting

Required

Required

(Exceptions on next page)

Reporting requirements:

- Electronic Report (see ARS 44-1622, 44-1625, 44-1601 and 44-1602 for state requirements)
- Digital photograph of each article involved in the transaction

Reporting

Required

• Electronic signature and fingerprint of person conducting transaction

Leads OnLine is the electronic reporting system utilized by the Gilbert Police Department. Please refer to the welcome packet from Leads OnLine or visit their website www.leadsonline.com to register your business for free today.

Secondhand Dealer Means:

A person conducting the business of buying, selling, trading, exchanging, accepting for sale on consignment, or otherwise dealing in secondhand items or precious items, or both secondhand items and precious items, whether such business is the principal or sole business conducted or is merely incidental to, in connection with or a branch or department of some other business. this definition includes antique dealers, auctioneers and auction houses receiving actual possession of secondhand items by purchase or consignment for sale at auction or otherwise and dealers of precious items, as that term is used in A.R.S. § 44-1601, *et seq.* this definition shall not exempt any person who buys secondhand items for cash.

Precious Item Means:

- (a) secondhand gold, silver, platinum or jewelry, flatware or holloware containing gold, silver or platinum.
- (b) secondhand precious or semiprecious stones whether mounted or unmounted.
- (c) secondhand pearls. precious item does not include coins and unmounted gemstones accompanied by a certificate from an independent, internationally recognized gem grading laboratory.

Secondhand Items Means:

Any goods, wares merchandise or articles that have been owned previously by someone other than the manufacturer or dealer whose business it is to sell such items to the public. "secondhand items" for purposes of this chapter shall not include antiques, old stamps, coins and money, jewelry, precious metals, gold, silver, platinum, precious and semiprecious stones.

Exempt Businesses / Activities ("Secondhand Dealer" shall **NOT** include):

- (a) any person who only deals in secondhand items by accepting them in trade for new merchandise and reselling such items incidental to new merchandise sales;
- (b) dealers in articles or properties, the transfer of title to which is required by state law to be evidenced by written instrument and recorded in the office of a department of the state or county government;
- (c) garage sales, rummage sales or similar nonrecurring sales between private individuals;
- (d) non-profit charitable organizations that have qualified as tax-exempt under section 501(c)(3) of the United States Internal Revenue Code.
- (e) recycling businesses engaged in buying, selling, trading, exchanging, or otherwise dealing in recyclable materials for the purpose of recycling, including metal, cans, paper, cardboard and glass. Scrap metal dealers must comply with Arizona Revised Statute title 44 et al.

Items Not Meeting Town of Gilbert Municipal Code Reporting Requirements:

- (a) records, cds, dvds, audiotapes, computer software and video games traded in for exchange or store credit only
- (b) clothing, used books, comic books, sports memorabilia valued at \$50.00 or less, tires (excluding rims), antiques, coins not set in bezel, postage stamps, trading cards, and furniture other than appliances;
- (c) transactions involving recyclables such as metals, cans, paper, cardboard or glass. Scrap metal dealers must comply with Arizona Revised Statute title 44 et al.

Regulations:

If you are a new or pre-existing business defined as a Pawnbroker, Junk Dealer or Secondhand Dealer you must be in compliance with both State Statutes as well as Gilbert Town Codes.

Links:

State Statute: 44-1601 thru 44-1647

Town Code: 14-201 thru 14-207 (update due in Aug. 2011)

Ordinance #2333 (updated ordinance will supersede the above Town Code; Aug. 2011)