Secondhand Dealers

Effective July 1, 2016, Chapter 2016-59, Laws of Florida, enacted changes impacting secondhand dealers who purchase, consign, or trade secondhand goods in Florida.

Purchasing Secondhand Goods through an Automated Kiosk

This law clarifies that any business purchasing secondhand goods through an automated kiosk is a secondhand dealer subject to the provisions of Chapter 538, Florida Statutes. An “automated kiosk” is defined as an interactive device that:

- is permanently installed within a secure retail space;
- can be remotely monitored by a live representative during all business hours;
- can verify a seller’s identity by a government-issued photo identification card;
- can read and record serial numbers of items;
- can compare item serial numbers against databases of stolen items;
- can secure goods accepted by the kiosk; and
- can capture and store images during a purchase transaction.

Any secondhand dealer that operates an automated kiosk must complete the following forms before conducting business in Florida:

- Florida Business Tax Application (Form DR-1) to register as a sales and use tax dealer in each county where an automated kiosk is operated. You can register to collect and report tax by going to our website at www.myflorida.com/dor. There is no fee for registering online.
- Registration Application for Secondhand Dealers and Secondary Metals Recyclers (Form DR-1S) for each location where an automated kiosk will be operated. The registration fee for secondhand dealers is $6 per location.

Gift Cards and Credit Memos

The definition of “secondhand goods” now specifically includes gift certificates and credit memos that are purchased, consigned, or traded by a secondhand dealer.

“Credit memos” include any certificate, card, stored value card, or similar instrument issued in exchange for returned merchandise that may be redeemed for merchandise, food, or services.

“Gift certificates” include any certificate, gift card, stored value card, or similar instrument purchased for monetary consideration that may be redeemed for merchandise, food, or services; however, it does not include manufacturer or retailer discounts and coupons or tickets to theme parks or entertainment complexes.
New Transaction Report Requirements

Effective July 1, 2016, secondhand dealer transaction reports must include digital photographs of secondhand goods acquired. For each type of secondhand good listed, the digital photograph must clearly show:

- Goods - brand name, model number, manufacturer’s serial number, size, and color of the good
- Precious metals - type, weight, and content, if known
- Gemstones - description, including the number of stones
- Firearm - type of action, caliber or gauge, number of barrels, barrel length, and finish

For goods purchased or acquired through an automated kiosk, transaction reports must include the item’s International Mobile Station Equipment Identity (IMEI), mobile equipment identifier (MEID), or another unique identifying number assigned to the device by the manufacturer. When a serial number is not available at the time of receipt or purchase, the secondhand dealer must assign a unique identifying number to the item. Within 10 days after the date of acquisition, the secondhand dealer must update the transaction report to include the IMEI, MEID, or other unique identifying number. Local law enforcement officials must be notified of updates in writing or by electronic means, as required by the local jurisdiction’s sheriff or chief of police.

If you have questions regarding transaction reporting requirements, you may wish to contact local law enforcement.

Holding Period and Storage

Beginning July 1, 2016, the holding period during which a secondhand dealer is prohibited from selling, bartering, exchanging, altering, adulterating, using, or disposing of any secondhand good has been extended from 15 calendar days to 30 calendar days for the following items:

- precious metals, gemstones, jewelry;
- antique furnishings, fixtures, or decorative objects that are at least 30 years old and have special value because of age; and
- art, as defined in section 686.501, F.S. (painting, sculpture, drawing, work of graphic art, pottery, weaving, batik, macramé, quilt, print, photograph, or craft work executed in materials; rare map offered as a limited edition or a map 80 years old or older; rare document or rare print, such as a print, engraving, etching, woodcut, lithograph, or serigraph offered as a limited edition, or one 80 years old or older)

The holding period of secondhand goods does not begin until all required transaction reports are completed and submitted to the appropriate local law enforcement official.

Goods acquired through an automated kiosk must be held for a period of 30 calendar days.

When an agreement is made between local law enforcement and a secondhand dealer, secondhand goods may be stored at a registered location outside of the local jurisdiction. The secondhand dealer must agree to deliver, upon request, stored goods to local law enforcement officials within two business days. The secondhand dealer must also provide proof to local law enforcement officials that he or she is able to deliver stored goods to the requesting official within the two business days.

If you have questions regarding holding periods or storage of secondhand goods, you may wish to contact local law enforcement.
**Other Changes**

**New Fine for Failure to Return Property to Owner or Lienor**

Beginning July 1, 2016, a secondhand dealer is subject to a fine of up to $2,500 when:

- an owner or lienor (lienholder) makes a written demand for the return of property and provides proof of ownership or right of possession to the secondhand dealer at least five calendar days before filing a replevin action (a legal action filed in court to recover property);
- the secondhand dealer knew, or should have known, based on the proof of ownership or proof of the right of possession that the property belongs to the owner or lienor;
- the secondhand dealer fails to return the property and fails to file an action for the court to determine conflicting claims to the property; and
- the owner or lienor prevails in the replevin action.

Reference: Chapter 2016-59, Laws of Florida

**For More Information**

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our website at [www.myflorida.com/dor](http://www.myflorida.com/dor) or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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