



To: House Committee on Corrections and Juvenile Justice

FROM: Robin Tummons, President, Kansas Pawnbrokers Association

DATE: Thursday Jan. 12, 2012

RE: Written Testimony on HB2059

Chairwoman Colloton and members of the committee, good afternoon. My name is Robin Tummons, President of The Kansas Pawnbrokers Association. I want to thank you for the opportunity to comment on HB2059 as we understand the changes to be, and the efforts to level the playing field with licensed Kansas pawnbrokers and precious metals dealers. The Kansas Pawnbrokers Association (KPA) and its members have long supported local law enforcement efforts to curb the trafficking of stolen property through our businesses. Less than 1/2 of 1% of the property that passes through licensed pawnshops is reported as stolen property. With some adjustments to this bill, this could be a very workable piece of legislation that will provide law enforcement another tool to help locate and address the disposal of property through unregulated channels.

Kansas pawnbrokers understand this is well-intentioned legislation to address local unregulated second-hand dealers. It is important to recognize the number of businesses that would be swept up in this legislation. This bill, as written, also would include businesses that buy and sell computers, cell phones, video games, musical instruments, electronics, furniture, appliances, etc. The KPA appreciates leveling the playing field and we are in favor of this aspect of the bill.

Having said that, the following are some of the concerns of the Kansas Pawnbrokers Association based on our experience in the secondhand market:

- 1) This bill still states that the dealer needs to keep a copy of the driver's license. This is an onerous provision, not required in the pawnbroker statute, which could easily be corrected by only requiring a recording of the identification number.
- 2) 30-day "police holds" exclusive of weekends and holidays is also an extremely long time period. We recommend inclusive of weekends and holidays. 30 days is normally sufficient time to investigate the crime, or obtain a court order to confiscate the property, or extend the "hold" an additional 30 days.
- 3) Under Section 1(d), it states "Such register shall be open at all times during normal business hours to peace and law enforcement officers." While we understand the preference to have this information, providing warrant-less access to a premise, or a register that contains customer and client names and personal information is not reasonable and may prove unconstitutional. Providing access to both the premises and the register to insure compliance with the statute is permissible, which is the standard in the pawnbroker statute, but the bill's language is strikingly different. One permits a warrant-less search of the business and unfettered access to a business' client and customer database while the other insures the business is in compliance with the law.

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4) This bill addresses "sell" and does not address "trades", "discounts", or "in-store credits", etc. There are a number of businesses that do a trade-in or give in-store credit and may attempt to circumvent the intent of the legislation. "I traded it for a pencil and some cash. The customer didn't sell it to me."

5) Does a "consumer good" include firearms? We believe firearms should be specifically excluded to avoid confusion.

6) This bill does not address any reporting requirement-electronically or otherwise. If law enforcement needs this information to attempt to locate stolen property, there should be a process in which to require a method of reporting. With that comes our concerns that it should be a property information only requirement and only to a government-run agency. Once you start requiring customer information to be submitted, you have concerns with the ownership of the data, the purging of obsolete data, profiling, privacy, liability of compromised customer data, and several more issues.

The Kansas Pawnbroker Association thanks you for the opportunity to speak on HB2059, however at this time we are opposed to this legislation as submitted. Unless these concerns are specifically addressed, our association cannot fully support such broadly written legislation and would encourage further discussion. We are more than happy to work with the proponents of the bill to correct our specific concerns.