

**HB**

**472**

**CS FOR HOUSE BILL NO. 472(JUD)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE HOUSE JUDICIARY COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): REPRESENTATIVES GREEN, McGuire, Meyer**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to certain persons who buy and sell secondhand articles and to certain**  
2 **persons who lend money on secondhand articles."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 08.76.010 is repealed and reenacted to read:

5 **Sec. 08.76.010. Records and verification of identity.** (a) A person who is a  
6 pawnbroker or a secondhand dealer shall maintain a record for at least one year of an  
7 item purchased or acquired by the person as a pawnbroker or secondhand dealer if the  
8 item

9 (1) has a serial number;

10 (2) has a resale value of \$75 or more; or

11 (3) is presented in a lot of 10 or more similar items, except for books,  
12 in a seven-day period by one individual.

13 (b) The record required by (a) of this section must contain the following  
14 information, which the pawnbroker or secondhand dealer shall record at the time of

1 each purchase or acquisition:

- 2 (1) the date of the purchase or acquisition;
- 3 (2) the name of the person conducting the purchase or acquisition;
- 4 (3) the name and address of the customer and a physical description of  
5 the customer, including age, height, weight, race, color of hair, and color of eyes;
- 6 (4) a description of the item purchased or acquired that includes, for a  
7 firearm, watch, camera, or optical equipment bought or acquired, the name of the  
8 maker, the serial, model, or other number, and all letters and marks on the item;
- 9 (5) the price paid or amount loaned for the item;
- 10 (6) the signature of the customer and a notation by the person  
11 conducting the purchase or acquisition naming the type of identification card used to  
12 identify the customer under (c) of this section and giving the number of the card.

13 (c) The person actually conducting the purchase or acquisition for which a  
14 signature is required under (b)(6) of this section shall verify the identity of the  
15 customer by comparing the signature of the customer with the signature on a driver's  
16 license, state identification card, or other identification card issued by a governmental  
17 entity to the customer.

18 \* **Sec. 2.** AS 08.76.020 is repealed and reenacted to read:

19 **Sec. 08.76.020. Manner of recording entry.** (a) A pawnbroker or  
20 secondhand dealer shall record the information required by AS 08.76.010 by  
21 handwriting or on a computer.

22 (b) If a pawnbroker or secondhand dealer records the information required by  
23 AS 08.76.010 by handwriting, the written entry shall be made in a bound ledger,  
24 appear in chronological order, and be made in ink or indelible pencil. A pawnbroker  
25 or secondhand dealer may not leave blank lines between entries or make obliterations,  
26 alterations, or erasures. A pawnbroker or secondhand dealer shall make corrections by  
27 drawing a line in ink through the entry without destroying its legibility.

28 (c) If a pawnbroker or secondhand dealer records the information required by  
29 AS 08.76.010 on a computer, then the pawnbroker or secondhand dealer shall use a  
30 system that guarantees that a record cannot be eliminated after entry, including using  
31 software that prevents elimination from the computer, saving printed serialized

1 receipts, or using another method acceptable to the police department or state troopers  
2 to whom reports are submitted under AS 08.76.025.

3 \* Sec. 3. AS 08.76 is amended by adding a new section to read:

4 **Sec. 08.76.025. Reports and availability of records.** (a) A pawnbroker or  
5 secondhand dealer shall make all records required by this chapter, whether entered by  
6 handwriting or in a computer, available for inspection by a law enforcement officer at  
7 all reasonable times.

8 (b) A pawnbroker or secondhand dealer who is required to maintain records  
9 under AS 08.76.010 shall provide a report every two weeks to

10 (1) the police department of the municipality where the person's  
11 business is located; or

12 (2) the state troopers if the person's business is not located in a  
13 municipality or is located in a municipality that does not provide police protection  
14 services.

15 (c) The report required by (b) of this section must summarize all purchases  
16 and acquisitions of the pawnbroker or secondhand dealer during the previous two  
17 weeks for which the information under AS 08.76.010 is required and must be on a  
18 form or in a format established by the Department of Public Safety for the report.

19 \* Sec. 4. AS 08.76.030 is amended to read:

20 **Sec. 08.76.030. Criminal liability.** A person who knowingly violates  
21 AS 08.76.010, [OR] 08.76.020, or 08.76.025 is guilty of a class A misdemeanor  
22 [AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN  
23 \$500, OR BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY  
24 BOTH].

25 \* Sec. 5. AS 08.76.030 is amended by adding a new subsection to read:

26 (b) In this section, "knowingly" has the meaning given in AS 11.81.900.

27 \* Sec. 6. AS 08.76 is amended by adding new sections to read:

28 **Sec. 08.76.050. Property holding requirement.** Unless the pawnbroker has  
29 acquired the item from a retailer or a wholesaler, a pawnbroker who is subject to the  
30 reporting requirements of AS 08.76.010 shall hold an acquired item for 30 days after  
31 the item is received by the pawnbroker before the item may be sold or transferred to

1 another person.

2 **Sec. 08.76.095. Definitions.** In this chapter,

3 (1) "pawnbroker" means a person who engages in the business of  
4 acquiring secondhand items as collateral for loans, but does not include a person  
5 regulated under AS 06;

6 (2) "secondhand dealer" means a person who engages in the business  
7 of purchasing secondhand articles for resale in whole or part, including a jeweler, a  
8 furrier, a coin dealer, and a computer dealer, but does not include a motor vehicle  
9 dealer or buyer's agent subject to AS 08.66.

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 2, 2002

FURTHER REFERRALS:

Date of Committee Action: 4.19.02

The JUDICIARY Committee considered:

HB 472

HOUSE BILL NO. 472

PAWNBROKERS/SECONDHAND DEALERS

"An Act relating to persons who buy and sell secondhand articles and to certain persons who lend money on secondhand articles."

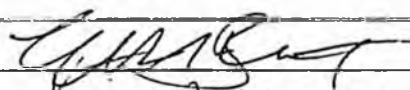
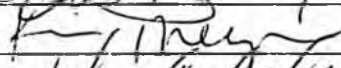
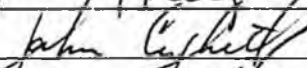
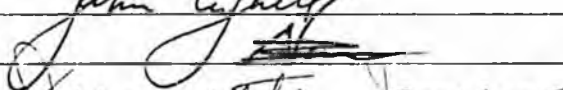
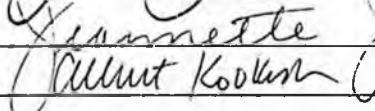
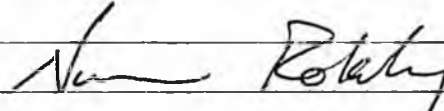
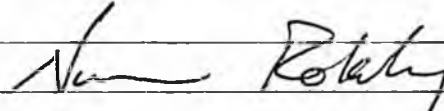
Recommends it be replaced with CS HB472 (JUD)  Same Title  New Title  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev. for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LAA  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DPS				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DPS	1			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Benkowitz			✓	
	Meyer	✓			
	Coghill			✓	
	JAMES			✓	
	Koolsh			✓	
Chair: 	Kokenberg			✓	
Chair: 	Kokenberg			✓	

*Adopted  
4.19.02  
Amended*

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*If purchased or acquired from an individual but not if purchased from retailer or wholesaler*

*Conceptual Amend #1*

*PAWNBROKERS*

*Adopted*

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# Alaska State Legislature

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Representative Joe Green  
District 10

## Sponsor statement for House Bill 472

"An Act relating to persons who buy and sell secondhand articles and to certain persons who lend money on secondhand articles."

When property is stolen, one of the ways the thief can profit from the items they have taken is by selling them to a pawnshop. Pawnshop owners don't accept merchandise that appears to be stolen, but it is easy for a thief to appear to be the true and rightful owner of the item in question.

To help track stolen property, Alaska State Laws require that pawnshops keep records of the items that they receive and that these records be open to any law enforcement agency that asks to see them. When municipal police or state troopers receive reports of stolen goods they can then match them to the records in the pawnshops. Unfortunately, this system requires a lot of time on the part of the officers, and it is not unusual for the property to have been sold by the pawnshop before it has been identified as stolen.

House Bill 472 would address this problem by requiring that pawnshops provide weekly reports to their local police department or state troopers listing all of the property that they have received. While officers will still have to look through the reports, it will make the process much more efficient. HB 472 also requires that pawnshops record the physical description of the person selling an item, in addition to the other identifying information that they are already required to record under statute. This will help the officers in recognizing and prosecuting people who traffic in stolen goods.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 472(L&C)  
 (H) Publish Date: 4/2/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Public Safety  
 Title An Act relating to persons who buy BRU AST Detachments  
and sell secondhand articles . . . Component AST Detachments  
 Sponsor Representative Green  
 Requester House Labor & Commerce Comm. Component No. 2325

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill will have no fiscal impact on the Department of Public Safety.

Prepared by: Lt. Julia Grimes Phone 269-4532  
 Division Division of Alaska State Troopers Date/Time 2/28/02 4:12 PM  
 Approved by: Commissioner Glenn Godfrey Date 2/28/2002  
 Agency Department of Public Safety

STATE OFFICE  
**ALASKA PEACE OFFICERS ASSOCIATION**

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355



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Ketchikan  
Pres. First City Chapter

James See, Member  
Craig  
Pres. Prince of Wales Chapter

John Lucking, Jr., Member  
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Thecla LaLonde, Member  
Wrangell  
Pres. Wrangell Chapter

March 29, 2002

Representative Joe Green  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Green:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing House Bill 472 relating to persons who buy and sell secondhand articles and to certain persons who lend money on secondhand articles.

The Alaska Peace Officers Association fully supports HB 472. Requiring weekly reports from pawnshops will help law enforcement authorities identify stolen property on a timely basis before it is resold. The additional requirement of a physical description of the person pawning an item will enable prosecution of those persons who use fraudulent ID cards when conducting these transactions.

Please contact the APOA office in Anchorage at 277-0515 if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

Leo Brandlen  
State President

**Subject: FW: HB 472 Hearing**

**Date:** Thu, 04 Apr 2002 10:36:14 -0900

**From:** Laura Achee <Laura\_Achee@legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** Representative Norman Rokeberg <Representative\_Norman\_Rokeberg@legis.state.ak.us>  
Representative Jeannette James <Representative\_Jeannette\_James@legis.state.ak.us>,  
Representative John Coghill <Representative\_John\_Coghill@legis.state.ak.us>,  
Representative Kevin Meyer <Representative\_Kevin\_Meyer@legis.state.ak.us>,  
Representative Ethan Berkowitz <Representative\_Ethan\_Berkowitz@legis.state.ak.us>,  
Representative Albert Kookesh <Representative\_Albert\_Kookesh@legis.state.ak.us>

**CC:** Heather Nobrega <Heather\_Nobrega@legis.state.ak.us>

Judiciary Committee members:

Deborah Fink is the former owner of the Cash Alaska pawnshops in Anchorage. She will not be able to testify on House Bill 472 tomorrow, so I am forwarding this to you at her request. If you have any questions, feel free to let me know or email Deborah directly at her address below.

Laura Achee

---

**Subject: FW: HB 472 Hearing**

**Date:** Wed, 3 Apr 2002 18:23:05 -0900

**From:** "D Fink" <dsfink@gci.net>

**To:** "Laura Achee" <Laura\_Achee@legis.state.ak.us>

Subject: Re: HB 472 Hearing

Dear Laura,

As I indicated to you on the phone, I am not at all opposed to the proposed bill regarding pawnshops and other second hand dealers. I realize that businesses dealing in second-hand goods, however much they try to avoid it, are invariably going to get some stolen property. Thus reasonable reporting to law enforcement agents - which is what we currently have in Anchorage - is part of being in the business. The bill, in that it follows current Anchorage procedures, is acceptable to me.

I have two problems with the bill. Current practice in Anchorage excludes many second-hand dealers from reporting. You pointed out that the legislature only passes bill - enforcement isn't your job. It is my belief that second-hand dealers of the types of items mentioned in the proposed bill ought to be reporting and failure to require reporting not only results in reduced recovery of stolen property but also discriminates against the pawn industry where, at least in Anchorage, we are following the law. Passing additional laws that will be selectively enforced goes against my grain.

Additionally, and equally troubling, the proposed legislation requires reporting the name and stats on the pawner or seller of second-hand goods. Essentially, that means our customers and those of like businesses become a part of a police data base used to look for stolen property even though the vast majority of our customers haven't stolen a thing. It clearly discriminates against their right to privacy, a position which courts

have sided with when second-hand dealers have challenged it.

Although I have no desire to enter the legal fray of challenging the law, I hate to see laws violating personal rights, passing legislative scrutiny without some consideration of alternatives.

Reporting property to law enforcement agencies for purposes of identifying stolen items makes perfect sense. Reporting names and personal data of people pawning and selling items that they, in fact, own is out of line.

I am not current on APD stats regarding recovery of stolen property via pawnshops but the last figures I received from APD indicated that only 3% of the property stolen in Anchorage was recovered from the reporting businesses. Based on our records, somewhere under 1/10th of 1% of the items we take in pawn are reported stolen. For that, we are required to report our customers names. The small amount of retrieved property hardly seems to justify that kind of disregard for personal rights of confidentially.

Because most pawners tend to be lower middle class and politically inactive, it seems their rights can be trampled without repercussion. This is hardly new and I'm sorry to see state legislation that continues the trend.

----- Original Message -----

From: "Laura Achee" <Laura\_Achee@legis.state.ak.us>

Sent: Wednesday, April 03, 2002 12:46 PM

Subject: HB 472 Hearing

> Hello!

>

> Just a reminder that HB 472 (the pawnshop bill) will be heard in the  
> House Judiciary Committee at 1:00 p.m. on Friday. With the exception of  
> one person, this is a whole new crowd so if you support (or perhaps  
> don't support) this bill you will need to come out again and explain  
> your position.

>

> The hearing will be teleconferenced. If you need to phone in, please let  
> me know by tomorrow so I can set it up.

>

> The most current version of the bill is available at:  
> <http://www.legis.state.ak.us/PDF/22/Bills/HB0472B.PDF>

>

> If you have any questions, please let me know.

>

> Laura

>

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RIC AND MARGE THOMPSON

4-10-02

TO: INTERIOR DELEGATION AND INTERESTED LEGISLATORS  
RE: HB 472

Regarding HB 472, pertaining to Pawnbrokers and Secondhand dealers, we'd like to voice some serious concerns.

75-85% of our business involves the buying and re-selling of used photographic gear. In our 27 years in business, we have maintained a very cognizant approach to dealing with buying used equipment. WE DO NOT WANT ANY STOLEN ITEMS TO COME OUR WAY. We require that the seller:

- 1) state the equipment is theirs to sell
- 2) demonstrate a knowledge of the operation of the equipment they want to sell. (If they can't show me how to do basic things like open the back door or remove the lens, we get very suspicious as to the ownership.)
- 3) If we have any doubts, we get their driver's license and we call Margaret Hall, Angie or Kim at the State Troopers and have them check the serial number on the statewide and nationwide computer system, to see if it has been reported stolen.

Our point is that we are self-regulating. Nobody has told us to do these things. We do this because we believe it makes prudent business sense. We don't need, nor can we afford another layer of government to tell us how to protect ourselves.

We maintain a good reputation and have had several occasions where we facilitated a stolen camera being returned to the rightful owner. We encourage customers who have a camera stolen to call us with a description and serial number.

We get the sense that if we paid \$100 for a camera at a garage sale, this bill would require the seller to show us his driver's license so that I can keep a copy of this for my record. I think you know that people just wouldn't stand for that.

Granted, we probably have some dishonest pawnbrokers in Fairbanks and Anchorage, but why penalize, and bury in paperwork, those who are honest and hardworking and just happen to sell used equipment? We get receipts for everything we buy, but we can't employ someone to fill out paperwork to send to the police on a weekly basis.

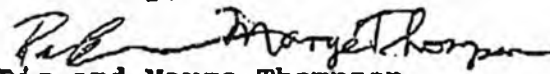
How can the local police and the State Troopers afford the extra manpower hours these weekly reports would require? And further, how would enforcement occur? In these times of ever-tightening budgets, I don't see this as a reasonable expectation. I don't think the State can afford it.

Another troubling aspect to this bill is requiring us to hold all we buy for 30 days. We work on a slim margin and thus, a quick turnaround is the key to our success. A pawnbroker is required to hold items for 30 days on what they loan. If we are buying, we

don't believe the same requirement should apply to secondhand sales.

Our competitors who do business on the Internet, would have no way of complying with this requirement. Please don't tie our hands behind our backs. Stiffer requirements and/or penalties should apply to those convicted of trafficking in stolen goods. Don't take the honest bulk of society and make policemen of us all.

Sincerely,

  
Ric and Marge Thompson

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 5, 2002

**SUBJECT:** CSHB 472(L&C) and the right to privacy  
(Work Order No. 22-LS1519L)

**TO:** Representative Joe Green  
Attn: Laura

**FROM:** *TLB*  
Theresa L. Bannister  
Legislative Counsel

You have asked whether CSHB 472(L&C) ("bill") violates the right to privacy. From reading the information that you sent over, it appears that the concern is with the right to privacy of the person who is pawning or selling the merchandise ("customer"). Under the bill, the pawnbroker or secondhand dealer (jointly referred to as "dealer") is required to obtain and maintain certain information from the customer (name, address, and physical description), to make this information available to law enforcement officers for inspection, and to transmit each week a summary of the transactions and acquisitions of the dealer to law enforcement agencies.

The requirements of this bill do not appear to violate the customer's right to privacy. Before a right to privacy is recognized, a person must exhibit an actual expectation of privacy and this expectation must be one that society is prepared to recognize as "reasonable."<sup>1</sup> In this situation, the customer enters a business that is open to the public in order to make a transaction. The person, therefore, chooses to make a transaction in a situation where the person and the transaction are visible to the dealer and to other persons coming into the store. The public nature of the transaction in this situation limits the expectation of privacy.<sup>2</sup>

In addition, pawnshops and secondhand shops have traditionally been heavily regulated, due to the potential of these transactions to involve stolen goods, and currently require the dealer to record information on the customer (name, age, and address). This would also tend to limit any expectation of privacy that a customer might expect and would also support the conclusion that an expectation of privacy in these circumstances is not one that society would be prepared to recognize as reasonable.

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<sup>1</sup> Hilbers v. Municipality of Anchorage, 611 P.2d 31 (Alaska 1980).

<sup>2</sup> See Cowles v. State, 961 P.2d 438, 443 (Alaska Ct. App. 1998); and Barron v. State, 823 P.2d 17, 20 (Alaska Ct. App. 1992).

Representative Joe Green  
April 5, 2002  
Page 2

Therefore, in my opinion, since it does not appear that the customer in this situation has an expectation of privacy in the transaction or an expectation of privacy that society is willing to recognize as reasonable, there does not appear to be a violation of the customer's right to privacy in this bill with the gathering, inspecting, or reporting of the information on the customer.

If I may be of further assistance, please advise.

TLB:med  
02-351.med

# FISCAL NOTE

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

**BILL NO. CSHB 472(L&C)**

Revision Date/Time (Note if correction) _____	Dept. Affected <u>DPS</u>
Title <u>Secondhand Articles</u>	BRU <u>Statewide Support</u>
	Component <u>APSIN</u>
Sponsor <u>Representative Green</u>	
Requester <u>House Judiciary</u>	Component No. <u>528</u>

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
 The bill requires pawnbrokers to make manual or automated records available to police or AST. Nothing in the bill requires DPS to create or maintain a statewide or centralized database, convert manual records into electronic data, process or produce reports based on pawnbroker data, or assist or evaluate pawnbrokers in selecting or using pawnbroker computer applications/systems. DPS' Information Systems is not required and does not plan to assign any resources to pawnbroker recordkeeping or information systems.

Prepared by: <u>Diane Schenker</u>	Phone <u>(907) 465-4336</u>
Division: <u>Administrative Services</u>	Date/Time <u>2/26/02 12:00 AM</u>
Approved by: <u>Commissioner Glenn G. Godfrey</u>	Date <u>4/12/2002</u>
Agency: <u>Department of Public Safety</u>	

For distribution information, call the Governor's Legislative Office

## Judicial Committee

### House Bill 472

#### PAWNBROKERS AND SECOND HAND STORES

My name is Ben Carpenter, I own a large second hand store in Fairbanks, Alaska known as Ben's Super Store.

I recently learned of House Bill 472 and I am extremely disturbed about one section of this bill. I would like to address the 30 day holding period for purchased second hand merchandise. The 30 days that I would be required to hold this merchandise would cause undue financial hardship, excessive record keeping and storage problems for my business and all second hand business.

I have contacted several fellow secondhand businesses owners here in Fairbanks to discuss our views and concerns. I have spoken to a coin shop operator, a used sporting good store owner, several jewelry store owners, a gold dealer, a stamp and collectible shop, an antique dealer, a clock and watch repair and numerous recreational vehicle dealers including sellers of snowmachines, 4 wheelers, boat dealers and a jet ski dealer.

After talking with my fellow business owners, I would like to explain the financial hardships we would be facing with the 30 day holding period. When dealers acquire second handed items such as snowmachines, off road vehicles, and all boats and water craft. When these items are purchased mid season for example late July or early August and are then held 30 days to about first part of September. The season is over. The items have to be carried over to the next season, approximately mid May. The season for these vehicle is only 4 1/2 months here in Fairbanks. Taking 30 days out of that time frame is a crippling financial disadvantage. The depreciation factor on

these seasonal items is high resulting in the potential for several hundreds of dollars lost in depreciation. The 30 day holding period has the same disadvantage to gold and coin dealers when they are locked into a 30 day period where they can not sell and the fluctuation of gold price put them at a high risk and could result in a large monetary loss.

The storage and extra bookkeeping will be a major problem for most stores. In my store storage space will be a huge problem. We do not have the space to store 30 days worth of merchandise. We deal in many bulky items such as furniture, exercise equipment and appliances. We may be forced to stop handling these items which are a good portion of our business if we have to hold them for 30 days due to a lack of storage space.

We all feel that the 30 day holding period is unnecessary. We second hand store owners are members of this community. As fellow property owners we are very concerned about stolen property and we have always cooperated fully with law enforcement in their attempts to recovered stolen property and prosecute the thieves here in Fairbanks. We are very vigilante in our efforts to not deal in stolen property.

We business owners haven't had enough time and opportunity to express our concerns pertaining to House Bill 472. We strongly urge you to seek more input from all concerned citizens. Please don't rush this bill through until you have fully heard our side of the story and you have all the facts.

As for our present business practices, my store has been complying with the current Alaskan Law regulating second hand stores and have no problem with it. We have been getting full names, addresses, phone numbers, Alaska Drivers License numbers or State ID numbers plus full descriptions of merchandise purchased with serial numbers as well as signatures of the seller. We have all the purchase invoices on

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**file for the past 10 years. These have always been available for police inspection. We all believe this 30 day holding period is overkill and unjustified. Over the past ten years we have owned our secondhand store, Ben's Super Store, I can recall only one incident when stolen property was sold before it was deemed stolen. It was a bicycle and it was recovered and the purchaser received a refund.**

**The incident rate of stolen property received by second hand store is not as high as perceived by some people. The published national rate of stolen property that is sold to secondhand stores is about 1/2 of 1%. Based on our store experience I feel the Fairbanks percent is lower than the national average at approximately 1/4 of 1%.**

**We again strongly urge you take your time to get the facts and statistics before you act on House Bill 472. We all urge you to seek more input from the second hand store owners who will be effected by the 30 day holding period. We are very concerned about the future of our companies if this holding period becomes law.**

**Thank you for your consideration in this matter.**

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**Ben Carpenter  
Ben's Super Store  
1402 Gilliam Way  
Fairbanks, Alaska 99701**

**Subject:** [Fwd: HB472]

**Date:** Fri, 19 Apr 2002 11:26:24 -0800

**From:** Representative Norman Rokeberg <Representative\_Norman\_Rokeberg@legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** Heather\_Nobrega@legis.state.ak.us

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**Subject:** HB472

**Date:** Fri, 19 Apr 2002 09:30:33 -0800

**From:** "John Shackley" <john@rocketsurplus.com>

**To:** <Representative\_Norman\_Rokeberg@legis.state.ak.us>

Sec. 08.76.050. Property holding requirement. A pawnbroker or  
29 secondhand dealer who is subject to the reporting requirements of  
AS 08.76.010 shall  
30 hold a purchased or acquired item for 30 days after the item is  
received by the  
31 pawnbroker or secondhand dealer before the item may be sold or  
transferred to  
01 another person.

This will require me to hold and store for 30 days any items I purchase over the counter(OTC).I am not a pawn shop and do not have the space to store for 30 days anything I purchase OTC. I am not in the busniess to hold item for 30 days I try to sell the item as fast as I can this is not only OTC but all items I purchase. I work on a 30 day net which means I try to turn my product within the 30 day period. This might work for pawn shops but not for me and other store that are not in the full time second hand business, but buy some item over the counter. A few questions.

1. Does items purchased from DRMO need to be held for 30 days.
2. Items purchased at local auction for resell have to be held for 30 days
3. Items purchased at local flea markets or yard sells for resale have to be held for 30 days

Thank you

John Shackley  
Rocket Surplus  
1401 S. Cushman St.  
Fairbanks AK 99701  
907-456-7078  
Fax 907-451-0236



	Pawn Records	rpt freq	hold time	precious metals	rpt freq	hold time	Other goods	rpt freq	hold time	notes
New Jersey	Y	D		Y		48h	second hand	D		
New Mexico	Y	D								
New York	Y									
North Carolina	Y		48h				scrap			
North Dakota	N									
Ohio	Y	D	15	Y	D	5				not coins, hallmark bars, ingots, coins
Oklahoma	Y		3	Y		10				not coins, commercially made ingots or bars
Oregon	Y	D								
Pennsylvania	Y			Y	D		5			
Rhode Island	Y	prn		Y	W					
South Carolina	Y									
South Dakota	N									
Tennessee	Y	D	48h	Y	D	30	scrap			
Texas	Y		*	Y	D	11				*commish designates hold period
Utah	Y						scrap			
Vermont	Y									
Virginia	Y	D								
Washington	Y	D	30				Second hand	D	30	not coins or bullion
West Virginia	N			Y	D	10	scrap	prn		
Wisconsin	Y	D	30	Y	D	15	Second Hand	D	10	
Wyoming	Y									
				19	15	16	7sh			5 - not coins, 4 not coins, bullion or ingots