

LEGISLATIVE COMMITTEE MINUTES

HB510

Bill as Introduced

HB 510 - AS INTRODUCED

2015 SESSION

15-0685
05/08

HOUSE BILL **510**

AN ACT establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.

SPONSORS: Rep. Williams, Hills 4

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill establishes a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struckthrough.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

1 (i) One representative of the antique dealer industry, who transacts business with the
2 general public, appointed by the speaker of the house of representatives.

3 (j) One representative of the scrap metal dealer industry, appointed by the president of
4 the senate.

5 (k) One representative of the scrap metal dealer industry, appointed by the speaker of
6 the house of representatives.

7 (l) One member of the construction industry in New Hampshire, appointed by the
8 president of the senate.

9 (m) One member of the Auto and Truck Recyclers Association of New Hampshire,
10 appointed by the speaker of the house of representatives.

11 III. The commission shall:

12 (a) Relative to the regulation of pawnbrokers and secondhand dealers:

13 (1) Study current laws and ordinances regulating pawnbrokers and secondhand
14 dealers in New Hampshire.

15 (2) Study issues surrounding recordkeeping, reporting, and retention periods,
16 including privacy and constitutional questions.

17 (3) Study the change in recovery rates in municipalities that mandate
18 recordkeeping, reporting, and retention periods, and assess the effectiveness of such ordinances.

19 (4) Consider the impact changes to state law would have on the industry, including
20 any ethical concerns.

21 (5) Study issues related to jurisdiction and law enforcement inspections.

22 (6) Identify the type of items and transactions that should be regulated and those
23 that should be excluded from regulation, including whether a minimum dollar value is
24 appropriate.

25 (7) Recommend statutory changes to reflect current business practices and address
26 enforcement issues.

27 (b) Relative to the system of commodities reporting by junk or scrap metal dealers:

28 (1) Study the current system of community-based regulation and reporting by junk
29 or scrap metal dealers in New Hampshire.

30 (2) Study the occurrence of metal theft and arrest records in New Hampshire under
31 the current system.

32 (3) Examine what tools exist in New Hampshire currently to curb the incidence of
33 metal theft.

34 (4) Study effective models in others states and their funding mechanisms.

35 (5) Review and recommend on the advisability of creating a statewide database for
36 New Hampshire, funded by fees on those regulated, and its potential to assist in the deterrence or
37 aid in investigations of metal theft in New Hampshire.

1 IV. Members of the commission shall serve without compensation, except that legislative
2 members of the commission shall receive mileage at the legislative rate when attending to the duties
3 of the commission.

4 V. Members of the commission shall elect a chairperson from among the members. The first
5 meeting of the commission shall be called by the first-named house member. The first meeting of the
6 commission shall be held within 45 days of the effective date of this section. Seven members of the
7 commission shall constitute a quorum.

8 VI. The commission shall report its findings and any recommendations for proposed
9 legislation to the president of the senate, the speaker of the house of representatives, the senate
10 clerk, the house clerk, the governor, and the state library on or before November 1, 2015.

11 2 Repeal. RSA 322-A, relative to the commission to study the regulation of pawnbrokers,
12 secondhand dealers, and junk or scrap metal dealers, is repealed.

13 3 Effective Date.

14 I. Section 2 of this act shall take effect December 1, 2015.

15 II. The remainder of this act shall take effect upon its passage.

Speakers

Hearing Minutes

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

PUBLIC HEARING ON HB 510

BILL TITLE: establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.

DATE: 2/16/15

LOB ROOM: 306 **Time Public Hearing Called to Order:** 12:50 pm

Time Adjourned: 1:20 pm

(please circle if present)

Committee Members: Reps. A. Christie, Sytek, Hansen, Beaudoin, Proyk, Hoell, Shackett, Tamburello, Goulette, Kaczynski, G. Smith, Woitkun, Gagnon, B. Schmidt, Jeudy, D. Sullivan, Goley, Hansberry, Cilley, C. Roberts and Parker.

Bill Sponsors: Rep. Williams, Hills 4

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

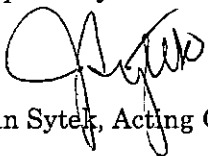
Rep. Williams, prime sponsor, introduced the bill and testified in favor. He stated the history of this bill. A previous commission was concerned with issues of theft. The statute relative to pawnbrokers had not been updated since 1907. He said that pawnbroker in the sense of making a loan on pawned property was nearly archaic and that the business had evolved into that of a second hand dealer. He said that shoplifters now use pawnbrokers to sell their stolen merchandise. He said it was a complex problem, e.g. what are appropriate holding times for pawned goods.

Rep. Schmidt asked why scrap metal dealers were being treated in the same bill. Rep. Williams answered that the commonality was issue of theft and police notification, regardless of the size and exact nature of the merchandise.

Michael McLaughlin, a lobbyist representing Schwitzer Metals, testified in support. He said that the industry is ahead of the legislation. Thieves move from town to town without reporting. Also, the industry is seeking to prevent "cloning" of titles. He wants "everyone in the same room."

Bruce Crawford, lobbyist for the auto recyclers, supports the bill and is willing to serve on a sub-committee. He described the end of life of a vehicle, the theft alert system, and the present condition of recyclers.

Respectfully submitted,



John Sytek, Acting Clerk

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

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PARKER

Bill Sponsors: Rep. Williams, Hills 4

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Testimony



State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
33 HAZEN DR. CONCORD, NH 03305
603/271-2791

JOHN J. BARTHELMES
COMMISSIONER

LEGISLATIVE POSITION NH DEPARTMENT OF SAFETY

HB 510: Commission to study regulation of pawnbrokers, secondhand, junk, and scrap metal dealers

Position: In favor

Dear Honorable Members of the Committee:

This bill establishes a commission to study the regulation of pawnbrokers, secondhand, junk, and scrap metal dealers and report its findings by November 1st of this year.

The commission will consist of legislators, industry representatives, Chiefs of Police, and associations. It has a very comprehensive list of items to study.

These industries, although for the most part ethically run, are a major source of disposal of stolen merchandise and this is a very important topic for law enforcement and victims of these thefts.

The Department of Safety enthusiastically supports this effort.



*Auto & Truck Recyclers Association
of New Hampshire*

*PO Box 2761
Concord, NH 03302-2761
603-796-6241
atraofnh@gmail.com*

Bruce Crawford, Executive Director

**HB 510 House Executive Departments and Administration Committee
2/17/15 11:00 AM Room 306**

I am Bruce Crawford, Executive Director of the Auto and Truck Recyclers Association of New Hampshire. This bill is very similar to HB 343, introduced in the 2013 session, which the House Commerce and Consumers Affairs Committee spent countless hours working on, before coming to the conclusion the real theft problem is with jewelry and similar items. I attended most of those meetings, so I know of which I speak.

Representative Kermit Williams, the sponsor of this bill, spent many hours serving on the HB 343 committee and work sessions, so I'm sure he can supply you with copies of the reams of testimony, work and findings concerning HB 343. It is unfortunate all the work of the House Commerce and Consumers Affairs Committee was derailed when HB 343 arrived in the Senate, but that is basically what happened..

I would like to point out there is a big difference between auto recyclers and "junk" or scrap metal recyclers. Auto recyclers are highly regulated, in that every vehicle coming through their business carries a paper trail consisting of a title or other paper work, for vehicles old enough to not require a title. It has been recognized many times by this Legislature, that auto recyclers are sufficiently regulated under present laws.

The Auto and Truck Recyclers Association of New Hampshire also counts several scrap metal and automotive core recyclers among its members. This part of the recycling industry has made a concerted effort in recent years to recognize and document those who are attempting to sell items which may be of questionable origin. Efforts are being made to not purchase stolen items and work with law enforcement to identify individuals who are committing crimes of theft.

The Auto and Truck Recyclers Association of New Hampshire looks forward to being part of the Study Commission created by HB 510. We are happy to assist in any way possible.

Thank you

Bruce Crawford,

Executive Director
603-796-6241

FINAL REPORT

Commission to Study Regulatory Requirements for Pawnbrokers and Secondhand Dealers in New Hampshire (RSA 399-A:20)

HB 343, Chapter 259, Laws of 2014

October 28, 2014

MEMBERS:

Rep. David O. Huot, Chairman
Rep. Kermit R. Williams, Clerk

Rep. Carol M. McGuire
Sen. Jeff Woodburn
Mr. Richard Bojko, representing the antique dealer industry
Mr. Craig Salvucci, representing the second hand dealer industry
Mr. Russell Abbott, representing the pawnbroker industry
Mr. Joseph Presti, representing the coin dealer industry
Deputy Chief Shawn Patten, Salem Police Department
Chief Michael Allen, Rochester Police Department

CHARGE OF THE STUDY:

The Commission to Study Regulatory Requirements for Pawnbrokers and Secondhand Dealers in New Hampshire (the "Commission") was charged to:

- (a) Study current laws and ordinances regulating pawnbrokers and secondhand dealers in New Hampshire.
- (b) Study issues surrounding recordkeeping, reporting, and retention periods, including privacy and constitutional questions.
- (c) Study the changes in recovery rates in municipalities that have mandated recordkeeping, reporting, and retention periods, and determine what caused the change and whether the amount of change justified the increase in regulation.
- (d) Consider the impact changes to state law would have on the industry, including any ethical concerns.
- (e) Study issues related to jurisdiction and law enforcement inspections.

(f) Identify the type of items and transactions that should be regulated and those that should be excluded from regulation, including whether a minimum dollar value is appropriate.

(g) Recommend statutory changes to reflect current business practices and address identified enforcement issues.

(h) Solicit such information and testimony from individuals, agencies, and entities as may assist the commission in the performance of its duties.

ISSUE:

There has been an increasing influx of illegal drugs into the state of New Hampshire with a corresponding increase in theft committed by drug addicts desperate for money to fuel their addiction. One avenue available to thieves is to take stolen items to pawnbrokers and dealers in second hand goods to convert them to cash.

RSA 398, New Hampshire's law on pawnbrokers, was initially adopted in 1907. Sections of the law have been amended over the years but it has never been comprehensively updated. This law prohibits pawn purchases under certain circumstances and permits cities and towns in the state to license and regulate pawnbrokers. Because the regulation of pawn transactions is largely governed by municipal ordinance, some cities and towns have well-developed ordinances and others have no regulation at all. The resulting patchwork of regulation makes it difficult to investigate certain types of theft.

Rep. David O. Huot and Rep. Lisa DiMartino introduced HB 343 in the 2014 Legislative Session in an attempt to update the statute, clarify the types of businesses to which it applies, adopt a uniform 14-day hold period, and revise the recordkeeping requirements. The complexity of the issues raised in HB 343 led to the establishment of this study commission.

PROCESS AND PROCEDURES:

The membership of the commission was designed to provide all stakeholders – legislators, law enforcement personnel and business owners – an opportunity to share their mutual concerns and to develop an workable, equitable solution to the problem. The Commission met six times in the months of September and October and reviewed the Second Hand Dealer/Pawnbroker Ordinance adopted by the town of Salem, New Hampshire, a proposed amendment to HB 343, to regulate pawnbrokers and dealers in jewelry, power tools and electronics, and Maryland's statute on Secondhand Precious Metal Object Dealers and Pawnbrokers.

Voting Sheets

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 510

BILL TITLE: establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.

DATE: 3/2/15

LOB ROOM: 306

Amendments:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Sponsor: Rep.

OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. Schmidt

Seconded by Rep. Parker

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 15-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. John Sytek, Acting Clerk

HOUSE COMMITTEE ON EXECUTIVE DEPARTMENTS AND ADMINISTRATION

EXECUTIVE SESSION on HB 510

BILL TITLE: establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.

DATE: 3/2/15

LOB ROOM: 306

Amendments:

Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:
Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep. SCHMIDT

Seconded by Rep. PARKER

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Retained (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 15-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. , Clerk





STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

2/18/2015 11:59:41 AM
Roll Call Committee Registers
Report

2015 SESSION

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

Bill #: HB 510 Title: _____

PH Date: 1 / 1 Exec Session Date: 3, 2, 15

Motion: OTF Amendment #: _____

<u>MEMBER</u>	<u>YEAS</u>	<u>NAYS</u>
Christie, Andrew , Chairman	X	
Sytek, John , V Chairman	X	
Hansen, Peter T.	X	
Beaudoin, Steven P.	X	
Proulx, Mark L.	X	
Hoell, J.R.		
Shackett, Jeffrey S.	X	
Tamburello, Daniel J.		
Goulette, William J.		
Kaczynski, Jr., Thomas L.	X	
Smith, Gregory G.	X	
Woitkun, Steven J.		
Parker, Harold B.	X	
Gagnon, Raymond G.	X	
Schmidt, Peter B.	X	
Jeudy, Jean L.		
Sullivan, Daniel J.	X	
Goley, Jeffrey P.	X	
Hansberry, Daniel C.	X	
Cilley, Jacalyn L	X	
Roberts, Carol R.		
TOTAL VOTE:		

15 - 0

Committee Report

CONSENT CALENDAR

March 4, 2015

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

**The Committee on EXECUTIVE DEPARTMENTS AND
ADMINISTRATION to which was referred HB510,**

**AN ACT establishing a commission to study the
regulation of pawnbrokers, secondhand dealers, and
junk or scrap metal dealers. Having considered the
same, report the same with the recommendation that
the bill OUGHT TO PASS.**

Rep. Peter B. Schmidt

FOR THE COMMITTEE

COMMITTEE REPORT

Committee:	EXECUTIVE DEPARTMENTS AND ADMINISTRATION
Bill Number:	HB510
Title:	establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers.
Date:	March 4, 2015
Consent Calendar:	YES
Recommendation:	OUGHT TO PASS

STATEMENT OF INTENT

The committee heard uncontroverted testimony that the statutes governing the referenced trades and businesses dealing in metals generally are antiquated and inadequate. Metals theft is a growing and pernicious threat to NH property owners and the people of NH in general. The above-referenced business sector is also placed in jeopardy by the criminal element involved in metals theft and recognizes that a collaborative effort to update and reform the relevant statutes is urgently needed, which they both support and are prepared to participate in. The ED&A committee concurs.

Vote 15-0.

Rep. Peter B. Schmidt
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

EXECUTIVE DEPARTMENTS AND ADMINISTRATION

HB510, establishing a commission to study the regulation of pawnbrokers, secondhand dealers, and junk or scrap metal dealers. **OUGHT TO PASS.**

Rep. Peter B. Schmidt for EXECUTIVE DEPARTMENTS AND ADMINISTRATION. The committee heard uncontroverted testimony that the statutes governing the referenced trades and businesses dealing in metals generally are antiquated and inadequate. Metals theft is a growing and pernicious threat to NH property owners and the people of NH in general. The above-referenced business sector is also placed in jeopardy by the criminal element involved in metals theft and recognizes that a collaborative effort to update and reform the relevant statutes is urgently needed, which they both support and are prepared to participate in. The ED&A committee concurs. **Vote 15-0.**

Original: House Clerk
Cc: Committee Bill File

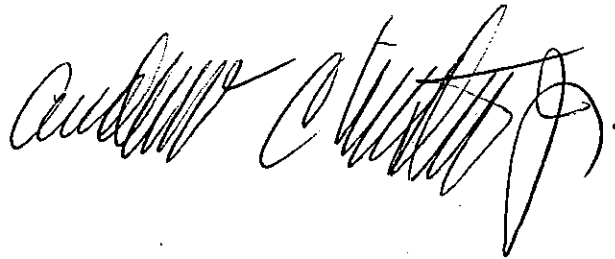
HB 510

OTP

Consent Calendar 15-0

The committee heard uncontroverted testimony that the statutes governing the referenced trades and businesses dealing in metals generally are antiquated and inadequate. Metals theft is a growing and pernicious threat to NH property owners and the people of NH in general. The above-referenced business sector is also placed in jeopardy by the criminal element involved in metals theft and recognizes that a collaborative effort to update and reform the relevant statutes is urgently needed, which they both support and are prepared to participate in. The ED&A committee concurs.

Rep. Peter Schmidt for the Committee

A handwritten signature in black ink, appearing to read "Peter Schmidt", is written over the typed name. The signature is stylized and cursive.

Culberson, Kay

From: Peter Schmidt [peterbarrettschmidt@gmail.com]
Sent: Tuesday, March 03, 2015 1:37 PM
To: a.christiejr@comcast.net
Cc: Culberson, Kay
Subject: Proposed blurb for HB 510, by Rep. Peter B. Schmidt

HB 510, establishing a committee to study the regulation of pawnbrokers, secondhand dealers and junk or scrap metal dealers. OTP.
Rep. Peter B. Schmidt for ED&A. The committee heard uncontroverted testimony that the statutes governing the referenced trades and businesses dealing in metals generally are antiquated and inadequate. Metals theft is a growing and pernicious threat to NH property owners and the people of NH in general. The above-referenced business sector is also placed in jeopardy by the criminal element involved in metals theft and recognizes that a collaborative effort to update and reform the relevant statutes is urgently needed, which they both support and are prepared to participate in. The ED&A committee concurs. Vote 15-0.

Sent from my iPad

Culberson, Kay

From: Andrew Christie [a.christiejr@comcast.net]
Sent: Tuesday, March 03, 2015 9:13 PM
To: Culberson, Kay
Subject: Fwd: Proposed blurb for HB 510, by Rep. Peter B. Schmidt
This one is ok

Sent from my iPhone

Begin forwarded message:

From: Peter Schmidt <peterbarrettschmidt@gmail.com>
Date: March 3, 2015 at 1:37:05 PM EST
To: "a.christiejr@comcast.net" <a.christiejr@comcast.net>
Cc: "kay.culberson@leg.state.nh.us" <kay.culberson@leg.state.nh.us>
Subject: Proposed blurb for HB 510, by Rep. Peter B. Schmidt

HB 510, establishing a committee to study the regulation of pawnbrokers, secondhand dealers and junk or scrap metal dealers. OTP.
Rep. Peter B. Schmidt for ED&A. The committee heard uncontroverted testimony that the statutes governing the referenced trades and businesses dealing in metals generally are antiquated and inadequate. Metals theft is a growing and pernicious threat to NH property owners and the people of NH in general. The above-referenced business sector is also placed in jeopardy by the criminal element involved in metals theft and recognizes that a collaborative effort to update and reform the relevant statutes is urgently needed, which they both support and are prepared to participate in. The ED&A committee concurs. Vote 15-0.

Sent from my iPad