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HB5795

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**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**GENERAL  
LAW  
PART 2  
370 – 743**

**2011**

**Connecticut Association of Pawnbrokers**

Mailing Address: 503 Lakewood Road, Waterbury, CT 06704

February 23, 2011

**Re: SUPPORT GL Raised Bill #83; *AN ACT PROHIBITING THE SALE OF JEWELRY THROUGH THE MAIL ON THE SECONDARY MARKET***

Dear Committee on General Law,

My name is Jay Sergeant, I represent the CT Assoc. of Pawnbrokers in support of raised Bill 83. I am a partner with TC's Pawn Company of Waterbury, CT and President of the CT Association of Pawnbrokers.

We support Bill 83. We are currently working with the Public Safety Committee and other interested parties on House Bill 5795 on comprehensive changes in the licensing and reporting for our industry and those alike within the state of CT. This Bill will be before you in the coming weeks.

Similar to Bill 83, one of the purposes of HB 5795 is also to curb the fencing of stolen goods. A large majority of businesses in our industry have been working together with local law enforcement for many years towards the recovery of stolen jewelry, by reasonable voluntary holding periods, identification of the persons we purchase from and some by keeping a photographic record of jewelry purchases. All of these tasks have assisted in the recovery of thousands of pieces of jewelry and heirlooms for victims of crimes.

A goal would be to see conformity throughout similar industries as well.

"Mail your Gold", "Hotel Gold Buyers" and home "Gold Parties" have gone on unregulated or with minimal regulation at best for many years. Since the hike in the gold market over the last couple of years they have combined, become a billion dollar industry in the U.S. In most cases there is no reporting of items purchased, positive identification of the person selling, licensing or any chance for recovery of stolen items for the victims or prosecution for the perpetrators.

Furthermore, in these difficult fiscal times, the State of CT is losing enormous amounts of taxable income from the companies that are operating "under the radar" and are able to avoid paying tax on the income derived from the refining of the gold being purchased. Most of these companies are not registered in CT and therefore avoid paying taxes in the manner that our CT based companies do. All of these "Mail your Gold" and "Hotel Gold Buyers" and alike, simply take this product out of state never to be seen again.

I personally have heard many unpleasant stories of these type of companies taking advantage of CT Consumers in regards to amounts being paid for their precious items

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and even the difficulty of receiving payment at all, with very little recourse available to them, many times all they can do is file a complaint. Unfortunately, with little or no regulation on these out of state companies, it is difficult for any state agency to receive any type of satisfactory result.

We believe any legislation reform to ensure proper licensing, the reporting of transactions and a holding period to give law enforcement an opportunity to recover property that has been stolen as it is with pawnbrokers, is in the best interest of any victim, consumer and law enforcement alike. The victims of such crimes should have *all* reasonable opportunities' to have their valuables recovered from ANY BUSINESS, including those out of state.

We would like to see the language in Bill 83 expanded and passed during the 2011 session. Simply put, Bill 83 is good for victims and law enforcement.

As always our Association is open to working together with Legislators and other interested parties in the best interest of the public's safety and our business community.

Respectfully,

Jay Sargent  
President, CT Association of Pawnbrokers Inc.  
Partner, TC's Pawn Company of Waterbury  
503 Lakewood Road  
Waterbury, CT 06704  
Tel. 203-753-7591

**H – 1107**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2011**

**VOL.54  
PART 16  
5169 – 5506**

On Page 45, Calendar 428, Substitute for House Bill Number 5795 AN ACT CONCERNING THE LICENSING AND RECORD KEEPING OF PAWNBROKERS, SECONDHAND DEALERS AND PRECIOUS METALS OR STONES DEALERS, THE RETENTION OF CERTAIN GOODS AND CERTAIN FEES CHARGED BY PAWNBROKERS. Favorable Report of the Committee on Planning and Development.

DEPUTY SPEAKER RYAN:

Representative Dargan of the 115th.

REP. DARGAN (115th):

Good evening, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report and passage of the Bill.

DEPUTY SPEAKER RYAN:

The question is acceptance of the Joint Committee's Favorable Report and passage of the Bill. Representative Dargan, you have the floor.

REP. DARGAN (115th):

Thank you, very much, Mr. Speaker. This Bill is a result of a two-year collaborative effort among the Connecticut Police Chief's Association, Connecticut Association of Pawnbrokers, Connecticut State's Attorneys, retail merchants and a number of legislators including Representative Chapin and my

good Ranking Member, Representative Giegler and a number of other interested parties, Mr. Speaker.

Basically what this Bill does is, it creates a new license for secondhand dealers and develops a uniform licensing procedure and computerized record keeping procedures for pawnbrokers, secondhand dealers, precious metal and stone dealers alike as well as licensed authorities who are law enforcement agencies, Mr. Speaker.

The licensing authorities would allow for due process for suspending, revoking or even not renewal of a license, in addition to making it a felony to operate any of these businesses without a license. The Bill clarifies fees allowed to be charged by pawnbrokers in addition to what is currently described already underneath Section 21-44 of the Connecticut General Statutes.

Mr. Speaker, the Bill clarifies payment structures allowed for each type of licenses that we have under the current law and certain penalties for any violations of such.

It also limits any cash transactions by pawnbrokers for \$1,000 and creates a holding period for secondhand dealers of ten days on property

purchased, but it does not, I have to repeat, does not create any type of holding period for previous metal or stone dealers on property received.

It also requires all licensing staff a physical location in the State of Connecticut where records and property may be inspected by the law enforcement community, and the Bill also gives law enforcement the tool they need to fight the crime and allow reputable business to continue to be available to the community.

And I really do thank the Pawnbrokers Association for bringing this to our attention.

There are a couple of Amendments that are before us. At this time, if the Clerk would please call LCO 7141, and I be allowed to summarize, please.

DEPUTY SPEAKER RYAN:

Will the Clerk please call LCO 7141, which will be designated House Amendment Schedule "A".

THE CLERK:

LCO Number 7141, House "A", offered by  
Representatives Aresimowicz, Olson, Dargan and  
Chapin.

DEPUTY SPEAKER RYAN:



The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection to summarization? Is there objection? Hearing none, Representative Dargan, you may proceed with summarization.

REP. DARGAN (115th):

Thank you, Mr. Speaker. Just specifically in line 15 it inserts primarily and I move for its adoption.

DEPUTY SPEAKER RYAN:

The question before the Chamber is adoption of House Amendment Schedule "A". Will you remark on the Amendment? Representative Dargan.

Will you remark further? Will you remark further on the Amendment before us? If not, I will try your minds.

All those in favor of the Amendment signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN:

Opposed, Nay. The Ayes have it and the Amendment is adopted.

Will you remark further on the Bill as amended?

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REP. DARGAN (115th):

Yes, thank you, Mr. Speaker. The Clerk has in his possession Amendment LCO Number 7461. May he please call and I be allowed to summarize.

DEPUTY SPEAKER RYAN:

The Clerk will please call LCO 7461, which will be designated House Amendment Schedule "B".

THE CLERK:

LCO Number 7461, House "B", offered by  
Representatives Dargan and Giegler.

DEPUTY SPEAKER RYAN:

The Representative seeks leave of the Chamber to summarize the Amendment. Is there objection? Is there objection? Hearing none, Representative Dargan, you may proceed with summarization.

REP. DARGAN (115th):

Thank you very much, Mr. Speaker. After reviewing the Bill, myself and my good Ranking Member, Representative Giegler along with the Retail Merchants Association, there was some suggestion whereby a major box store like a Best Buy might have a deal on a specific computer and there might be some reimbursement.

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So this just clarifies that language and would not hurt any retail establishment in any one of the three conforming licenses that we have on the current statute, and I move for its adoption.

DEPUTY SPEAKER RYAN:

The question before the Chamber is adoption of House Amendment Schedule "B". Will you remark on the Amendment? Will you remark? Hearing none, if not, I will try your minds.

All those in favor signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER RYAN:

Opposed, Nay. The Ayes have it. The Amendment is adopted. Will you remark further on the Bill as amended? Representative Giegler of the 138th.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. I rise in support of the Bill that's before us. This year there was a concerted effort to bring all parties to the table to improve the standards and regulations of the industries that we spoke about, pawnbrokers, secondhand dealers and precious metal dealers,

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especially when it addressed the theft and disposing of stolen merchandise.

It also brought some conformity to this industry and it assisted law enforcement during their investigations and the apprehension of stolen property.

The fiscal note actually results in a revenue gain for the Department of Public Safety and various municipalities due to the creation of a new license for secondhand dealers.

I just have one question to the proponent of the Bill.

DEPUTY SPEAKER RYAN:

Representative Dargan, will you prepare yourself. Representative Giegler, would you please proceed.

REP. GIEGLER (138th):

Thank you, Mr. Speaker. Yes, just a question and I'm not sure if we really have this breakdown, but the fee for the secondhand dealers was \$250 for their initial license and \$100 for their annual renewal.

Do we know what percentage of that is going to the municipalities?

DEPUTY SPEAKER RYAN:

Representative Dargan.

REP. DARGAN (115th):

Through you, Mr. Speaker, I do not have that answer for my good Ranking Member, through you.

DEPUTY SPEAKER RYAN:

Representative Giegler.

REP. GIEGLER (138th):

Okay, thank you very much. And as I stated before, I urge my colleagues to support this Bill. It was a tremendous effort on the part of the Co-Chairs of the Committee who have been working on this for several years, and I urge my colleagues' support. Thank you.

DEPUTY SPEAKER RYAN:

Thank you, Representative. Will you remark further on the Bill as amended? Will you remark further on the Bill as amended?

If not, will staff and guests please come to the Well of the House. Will the Members please take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by Roll Call. Members to the Chamber.

The House is voting by Roll Call. Members to the Chamber, please.

DEPUTY SPEAKER RYAN:

Have all Members voted? Have all Members voted? Will the Members please check the board to determine if your vote is properly cast.

If the Members have voted, the machine will be locked and the Clerk will take a tally. The Clerk will please announce the tally.

THE CLERK:

House Bill 5795 as amended by House "A" and "B".

Total Number Voting	140
Necessary for Passage	71
Those voting Yea	140
Those voting Nay	0
Those absent and not voting	11

DEPUTY SPEAKER RYAN:

The Bill as amended passes.

Will the Clerk please call Calendar Number 111.

THE CLERK:

On Page 34, Calendar 111, Substitute for House Bill Number 5308 AN ACT CONCERNING REFUSE REMOVAL OR

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gave you, you will see the wireless and the wire -- hardware phone charge. And it's something -- different states are charging different amounts. So by going to 75 cents, we can hopefully continue to make improvement over time. But --

SENATOR HARTLEY: And, see, I was thinking if there was a population we were losing that would make up for the increased fee so anyway, there's probably a number of ways to go at this. Okay. Thank you, Bill, for that information.

Thank you, Mr. Chair.

REP. DARGAN: Further questions from committee members?

Thank you very much, Commissioner.

COMMISSIONER THOMAS: Thank you.

REP. DARGAN: Since that first hour is up, we're going to -- we'll rotate back and forth between the list. So the first person on the public portion is Harold and Jane Kurtzman.

JAN KRITZMAN: Good afternoon, members of the Public Safety Committee. My name is Jan Kritzman and my husband Harold Kritzman. We're the owners of Olde Towne Coin Company, 2600 Berlin Turnpike, in Newington. We have been in the rare coin business for 40 years this year in Newington.

We're here to speak about Bill 5939 and Bill 5795. I'll be very brief. Bill 5939 calls for an unspecified holding period on many of the items that we buy in our store of 10 days. It's lines 9, 10 and 11 -- I'm sorry -- that's not the right one. It's -- it's unspecified holding period. It's very vague and I don't really understand what it is, and we're very much



opposed to any kind of a holding period on any of the items, rare coins, and so forth, that we buy in our store, investment quality coins, and so forth. That's 5939.

The second bill is 5795, which we are opposed to the language in lines 9, 10 and 11 which would impose a 10-day holding period on items that we buy in our store. We would like to speak in favor of -- of a bill that you haven't heard about yet that is spearheaded by Police Chief Tom Sweeney of the Police Chiefs Association and the police chief in Glastonbury. And he will be speaking on a bill later this afternoon that we are in favor of, and I'm sure he'll explain it all to you. That's pretty much all I have to say.

Thank you.

REP. DARGAN: Thank you, Jane.

Bill --

Do you have any comments or --

HAROLD KRITZMAN: Yes, just about the same thing except that again it seems the nature of these particular bills that are brought up year after year and we've been doing this now, like I said going into our 40th year, appearing before various committees probably 15 or 20 times over those years, each time trying to explain the nature of the investment business.

Our products do change in price on a daily basis. A holding for an unspecified amount of time on premises, specifically, could put undue burden both from a security standpoint and from a fair market price ability forcing us to the pay the market prices to our customers for the material

they sell as an investment vehicle for several years, in fact, in many cases.

So please consider that attribute forward. These are investment items. You no further want to hold your stock 10 days or whatever, an unspecified time, before placing them up for sale with the people who are invest in our rare coins or precious metals. We ask you to do the same thing. Thank you.

REP. DARGAN: Thank you.

Is any questions from committee members? Hearing none, thank you very much for your testimony.

JAN KRITZMAN: Thank you.

REP. DARGAN: Going back to the legislative/municipal list. Representative Bill Aman.

REP. AMAN: Thank you for having called this bill for a public hearing. I'm Bill Aman, state representative from the 14th District of South Windsor.

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This particular bill regarding the doubling of fines for violations in construction zones is based on the idea that current state law says if you're a worker on a state road and people speed by or drive recklessly or do some other offense, the fines are doubled. However, if you're a municipal worker or working on a municipal road, the fines are not. And my feeling was that I don't think the safety of a worker whether they happen to be on one side of an intersection or the other, depending on if it's a state or municipal road, should make any difference that the law should be very clear that if drive in a incorrect manner in a construction zone threatening the lives of the workers that the

2005, which we're currently using here?

JOHN MASARICK: I believe so with -- with things, like the arc fault circuit interrupter, the tamper resistant receptacle is used -- oh, it's used in the houses. Youngsters a lot of times will stick things into receptacles. The tamper resistant recep -- receptacle prevents that. You have to put a plug in and all three contacts have to go in at the same time. If a youngster tries to stick a knife or a bobby pin it will not go in that (inaudible). I think it, you know, it'll save -- save lives and prevent fires.

REP. KIRKLEY-BEY: Is it -- is it used primarily for new construction, or is it used for older homes that are upgrading their circuits?

JOHN MASARICK: Usually it's new homes but if somebody updates a house usually it's required to come up -- that particular part of the house is required to come up to the late -- to the latest code that's adopted by the jurisdiction.

REP. DARGAN: Further questions from committee members?

Thank you very much for your testimony.

Next presenter is Chief Tom Sweeney. Chief, can you hit the button there?

THOMAS SWEENEY: Chief Thomas Sweeney of the Glastonbury Police Department. I'm here to speak to bill -- House Bills 5795 and 5939, which govern the licensing and regulation of pawnbrokers and precious metal dealers.

Speaking not only as a representative of the Connecticut Police Chiefs but also as chief of one of the police departments that was involved in an extensive investigation of the pawn shops

back in 2009 that demonstrated that there was some systematic fencing activities going on through a portion of the pawn shops that was supporting the theft of a number of career criminals in the state who were systematically involved in burglaries, larcenies and organized retail theft.

Pawnbroking by its nature is recognized in the law as being very well situated to dispose of stolen property and, therefore, must be the subject of the strictest regulations. Accordingly the Connecticut police chiefs support legislation that would correct and improve the current licensing and regulatory statutes in the state. They govern pawnbroking and the related activities of precious metals dealing and secondhand sales of merchandise from individuals not wholesalers.

The bill that is before you, 5795, contains preliminary wording and does not go far enough, and I understand that it was probably put forward as preliminary wording. What is needed is a comprehensive revision of the current statutes to fix and clarify the licensing authority in each of our municipalities to more effectively document, track and report the flow of merchandise sold into pawn shops and secondhand dealers, and it's to close a major loophole that exists with individuals who are trafficking in the sale of merchandise who are not regulated by the pawnbroker statute or the precious metal statutes at this current time.

I recognize -- I would note that pawnbrokers provide a very important service to the members of our society who do not have access to normal means of credit and who are in need of short-term financial assistance. I appreciate also that the Pawnbrokers Association has come forward and

recognizes there's a need to clean up parts of their industry that are giving their profession a very bad name. Likewise, I would recognize the Kritzmans and the precious metals dealers who have also come forward to recognize that things have to be done to improve the statutes that govern precious metal dealing in the state.

I have provided written testimony to you. I will not repeat what is in the written testimony but simply note that what we saw in our 2009 investigation that there was a wide open pattern of cash business going on through the pawn shops and that facilitated the disposal of stolen property throughout the state.

Last year, near the close of the legislative session, a comprehensive proposal was developed that had the various industries and the police chiefs sitting down to discuss the conflicting concerns that -- that each of us had and we developed a comprehensive proposal that addressed the spectrum of problems that law enforcement was facing with regard to the secondary sales of st -- potentially stolen property. The proposal is a product of discussions between representatives of law enforcement, the pawnbroking industry and the precious metal dealers. With the guidance of Representatives Dargan and Nafis that proposal was prepared as a potential amendment to last year's House Bill 5342. Unfortunately, that legislation died as an uncalled amendment in the last days of the session when budget issues overwhelmed the legislature.

Given the extensive work that was done last year to arrive at a proposal that balanced the various interests of the affected groups, I would urge the committee to bring forward last year's uncalled amendment and use that as the substitute wording for -- for House Bill 5795. That wording

clearly fixes responsibility for licensing and regulations of pawn shop -- pawnbrokers, secondhand dealers and precious metal dealers, requires full disclosure of all the principles in the pawnbroking and secondhand businesses, requires electronic reporting to police of all items received by pawn -- pawnbrokers and secondhand dealers, establishes digital photo records of the sellers and the merchandise received by pawnbrokers and secondhand dealers, requires minimum retention periods for merchandise received by pawnbrokers and secondhand dealers and full disclosure of the locations used to receive and store that merchandise and requires full disclosure of internet addresses used to rec -- receive or dispose of merchandise by the pawnbrokers.

I would urge a favorable consideration of such broad changes in the current pawnbroker statutes, and I would hope that you would pick up where last year's efforts ended off. I felt we got to the 1-yard line and just, unfortunately, died at the last couple days of the session. The Connecticut police chiefs stand ready to assist you in any way possible moving that legislation forward. Thank you.

REP. DARGAN: Thank you, Chief, thank you over the past couple years with the work on that bill.

Any questions?

Representative Kirkley-Bey, followed by Representative Bacchiochi.

REP. KIRKLEY-BEY: Good afternoon, Chief. I'd just like to ask you a question. Does this include everybody that's out there buying gold?

THOMAS SWEENEY: It addresses the current precious

metal statute --

REP. KIRKLEY-BEY: That's a precious metal.

THOMAS SWEENEY: -- and it does -- there -- there's some serious problems with that in terms of who the licensing authority is. It's not defined well in the stat -- current statutes. That statute does provide authority to the licensing authority to set clear rules and regulations for their municipality. So that is addressed in that proposed package that I -- that I referenced. The -- there are competing and conflicting interests obviously in the precious metal areas with regard to retention which was addressed earlier by one of the individuals who spoke to you. But the statute is an improvement. It clarifies. It would fix the chief of police as the responsible authority in each jurisdiction.

In most of the jurisdictions in the state right now, the licensing authority is the selectmen, plural, which is your town council, the municipal council who are not regulatory bodies.

REP. KIRKLEY-BEY: So Good Old Tom will be taking care of it under your new bill?

THOMAS SWEENEY: It's --

REP. KIRKLEY-BEY: And Fast Eddy.

THOMAS SWEENEY: The issue of the cash transactions is something I know that is of grave concern to the precious metal dealers. The precious metal dealers -- the precious metal statutes does require that there is no cash tran -- exchanged in the transactions. That -- basically what you see is advertising is advertising a violation of the law.

REP. KIRKLEY-BEY: So you're telling me --

THOMAS SWEENEY: -- cash is not transacted. It's supposed to be paid for by check, and the check is not supposed to be cashed.

REP. KIRKLEY-BEY: Okay. Oh, okay so you're saying if I take my gold there and I want to sell it, they have to pay me but they have to pay me with a check and not with cash.

THOMAS SWEENEY: Pay with a check. They're not supposed to cash the check. The check is supposed to go get processed back through a financial institution and that is the way it is being regulated in a number of jur -- municipalities in the state where the chiefs of police have actively set those conditions in the transaction --

REP. KIRKLEY-BEY: You indi --

THOMAS SWEENEY: The statute now bars the cash.

REP. KIRKLEY-BEY: You indicated someone had already talked on this bill. I had gone to another meeting. I didn't hear that so maybe someone else would repeat that so I can hear it -- whatever you were talking about.

THOMAS SWEENEY: There are representatives here from -- Mr. Kritzman beside me.

HAROLD KRITZMAN: My name is Harold Kritzman. I'm president of Olde Towne Coin Company, 2600 Berlin Turnpike in Newington. We're in our 39 plus year of business in the precious metals and rare coin business.

The original statute, which I helped to write, approximately 1981 addressed the problem of cash

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being paid for in transactions for precious metals. We helped at that time to write a law. Unfortunately, I call myself not a Philadelphia lawyer just a layperson and I used the word "may" when I enacted the law. I said, "you may not pay in cash." Well, I was to find out there are ways to interpret the way "may" is may or may not and this was kind of the loophole that several people in the current industry are using.

It is not the spirit of the original law nor is it the spirit of our industry to help promote the fencing of stolen merchandise. So I am supporting, as Chief Sweeney has said, this new bill which we worked very, very heavily on so that our industry could go on working with our longtime clients, not impede them in the ability to liquidate their investment holdings, which some of them have had for literally dozens of years with what might be -- well, I use the analogy, you have a share of stock and today that stock is at a specific price, you wish to sell, and you present it for sale and the stockbroker says to you, I cannot sell your stock today. I must put it aside for 10 days or an unlimited amount of time and on that anniversary I can present that stock for sale.

Well, of course, who knows what the price is going to be five days, five hours, 10 days from now? Well, that's akin to the same thing as a person who has purchased various gold items, like Krugerrands, or Maple Leafs or Eagles and pursued them as an investment vehicle being told they cannot sell today at \$1375 an ounce, they've got to sell it at whatever the price is 10 days from now. Obviously, that would not work as an investment vehicle at all so that's what we're trying to do.

Well, obviously, that's -- We can go to the

casino, too, and let it all ride on red. That's not our -- our method of operation and they say tell people. The real precious metal dealers are business people. We're not gamblers.

REP. KIRKLEY-BEY: Just out of curiosity how long do you have to hold something before you can resell it?

HAROLD KRITZMAN: As long as you --

REP. KIRKLEY-BEY: Is there a number of days or is it --

HAROLD KRITZMAN: No.

REP. KIRKLEY-BEY: -- based on something.

HAROLD KRITZMAN: -- there's no -- there's currently no holding period unless they're enacted by local municipalities. The market pretty much relies on good recordkeeping and a good relationship with law enforcement in building those records for use in pursuit of those who use might pawn shops and precious metal dealers as a vehicle to liquidate their stolen merchandise.

THOMAS SWEENEY: I -- I would note last month several departments in the Capitol region cooperated on a compliance check of the precious metal dealers here. With the assistance of precious metal dealers, we acquired merchandise, took it out to sell and basically of 28 locations tested, six provided cash or failed to record proper ID and they were cited under the current statute.

It's a very difficult law for us to enforce but we can enforce it. But one of the key issues is the whole closure of that cash transaction. Not only just in the precious metal dealing but also in the area of the secondhand dealing and in the

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pawnbroking business to limit down the ca -- is that open cash business. Making sure there's a proper financial record, as required by the law, that checks are cashed and processed through financial institutions.

REP. DARGAN: Further questions from committee members?

Representative Bacchiochi.

REP. BACCHIOCHI: Thank you, Mr. Chairman.

Just a quick question, I, like Representative Kirkley-Bey, may have missed this earlier. Has the precious metals organ -- dealers and the pawn shop dealers come to an agreement on any period of time that they would agree to hold the merchandise?

THOMAS SWEENEY: The -- there's agreement with regard to the pawnbroking -- the items that are sold either into secondhand dealers or pawnbroking and that was basically balancing of interest. They, too, would like their merchandise over quickly, but we can also deal with the issue we can shorten that time frame -- we started around, I think, 21 days. We agreed to 10 with electronic reporting which would be instantaneous reporting into the police department databases so that works well for us.

Much more difficult issue when you're deal with the -- with gold the nature with gold fluctuations. The process with gold -- we recently had a case in my own town. It wasn't an issue of holding it. We clearly found a dealer paying cash. We found that he was also underreporting what he was receiving. He was underreporting what he paid for the merchandise and he wasn't processing the checks. So I have

grave concern of what the state is losing on tax revenues, and so forth, in the process on this.

REP. BACCHIOCHI: Okay. Thank you.

REP. DARGAN: Representative Adinolfi.

REP. ADINOLFI: Thank you, Mr. Chairman.

Just a question, I must watch about four or five TV commercials every night of a gold dealer happily shelling out \$100 bills to somebody that brought in some jewelry or something to sell. Now would that be illegal?

THOMAS SWEENEY: We -- under our compliance checks, we cited individuals for that violation. Specifically, by the interpretation we had from one of Chief State's Attorneys -- prosecutors that is a violation under the current statute. It says, No cash shall be exchanged in this transaction. And it views the whole thing, the presentation of the merchandise, the issuance of the check, all part of a single transaction and cashing it would be part of that transaction -- so their interpretation that it's currently illegal.

It -- there may be issues -- and I've spoken to Mr. Kritzman this morning that we may want to talk just the issue about the failure to deposit checks in the -- in a bank account or something of that nature with the ca -- people who are transacting in cash are -- are punished -- are dealt with as a more severe violation than somebody who just misses some administrative reporting requirement or something of that nature.

Currently the statute has problems in it that Mr. Kritzman who's a license dealer if he fails to

report on time or otherwise -- or fails to record something proper might be cited for a violation. All violations are \$1000. If his behavior is so egregious I suspend him, he's no -- he's operating outside the law, the maximum violation, \$1000. If he's involved in a cash transaction, the source of the illegal -- feeds the illegal -- are disposing of stolen property, that also is \$1000 transaction. That piece functioning as an unlicensed dealer, functioning in cash payments probably needs to be broken out and dealt with more severely. We talked about it this morning. I don't think there's disagreement. It's just something we hadn't addressed or caught last year but could be addressed when the legislation comes forward -- that comes forward.

REP. DARGAN: Further questions? Senator Hartley.

SENATOR HARTLEY: Thank you very much.

Thank you, Chief.

And thank you, Harold, for being with us.

So, basically, we've got false advertisement going on. I mean everybody here has seen these ads, and they're pretty obnoxious and they basically are saying to people, Come in. We give you cash. That's completely false advertisement.

THOMAS SWEENEY: That is correct. That's a violation of the law.

SENATOR HARTLEY: And they're -- but they're pretty bold about it.

THOMAS SWEENEY: There are some of the chiefs, and I would cite particularly the chief in Wethersfield, who is very aggressive on this issue has been on top of all his licensed dealers

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in town, gone over with them very clearly. One of them ran an ad, I saw that ad, he was down there the next day and that was corrected. That ad was pulled. So a lot of it will depend on whether or not the individual municipality goes back to that dealer and points out to him that that's a violation.

SENATOR HARTLEY: Well, I see them on television pretty regularly so aside from the PD locally having to go knock on their doors, it ought to be just the opposite. So I would just say let the word go forth that that is false advertisement, and we -- we'll have some follow-up.

And then one other thing, Harold. You mentioned that it -- maybe I didn't hear this properly -- where the statute said you "may" pay in cash? Or does it say, "You shall?" Is it --

HAROLD KRITZMAN: The original statute Precious Metal Buyers Law uses the word "may."

SENATOR HARTLEY: Okay, but it's since been changed.

HAROLD KRITZMAN: We're in the process of doing that.

SENATOR HARTLEY: Well, that's what in this iteration.

HAROLD KRITZMAN: That's correct.

SENATOR HARTLEY: And it -- and it's going to say you -- it's going to be changed from "shall" to "may?" No.

HAROLD KRITZMAN: No, no. It went from "may" to "shall."

SENATOR HARTLEY: Okay.

HAROLD KRITZMAN: Again, the original law was written

## COMMITTEE

with the spirit being that we would be law abiding and do exactly what it says but, unfortunately, I didn't realize that there are ways to interpret the word "may" so I -- I always take blame for that because I've learned a lot in the last 35, 40 years.

SENATOR HARTLEY: Okay, and, hopefully, maybe we'll be seeing some different ads on our evening -- in between our evening newscasts.

Thank you both for being with us.

THOMAS SWEENEY: Thank you.

SENATOR HARTLEY: Thank you, sir.

REP. DARGAN: Further questions?

Hearing none, thank you very much.

The next presenter is James Bernier followed by -- I apologize that I thought that Chief Salvatore was coming up with Chief Flaherty followed by Chief Salvatore and Chief Strillacci.

Thank you, Jim.

JAMES BERNIER: Good afternoon. I am pleased to have the opportunity to express my support for House Bill 6296, AN ACT ADOPTING THE NATIONAL ELECTRICAL CODE.

I am a licensed electrician, E2 electrical journeyman. I'm a graduate of Howell Cheney Technical High School, which is part of the state of Connecticut technical high school system. I am the principle in a small business and a resident of Glastonbury, Connecticut.

I have it -- I find it hard to believe that we

And I urge you to please vote for the bill, and I'd be happy to answer any questions.

SENATOR HARTLEY: Thank you very much, Brian.

Are there questions, comments from the committee members?

Thank you for your testimony. You did submit written testimony to us?

BRIAN ANDERSON: Yes, Lisa Fontana, one of our presidents of Cheshire local did, Senator.

SENATOR HARTLEY: Okay. Good. So the other committee members who are covering other assignments get the benefit as well.

Thanks very much, Brian.

BRIAN ANDERSON: Thank you.

SENATOR HARTLEY: And we'd like to now invite Steve Bruno. Is Steve with us no longer.

How about Bob Walter? Bob Walter? Okay.

How about Jay Sargent?

Hi Jay. I thought I saw you back there.

JAY SARGENT: Good afternoon, Senator Hartley, Representative Dargan, members of the committee.

HB 5939

My name is Jay Sargent. I'm here today representing our Connecticut Association of Pawnbrokers and support of Raised House Bill 5795. With me today is Chad LaPlante, owner of Yankee Peddler and Pawn in Groton and New London. I'm also a partner myself with TC's Pawn Company



of Waterbury.

During the 2010 legislative session, our association initiated and testified to our support of House Bill 5342. At that time, we were meeting with other interested parties with concerns on that bill and other similar proposals at that time.

Through the extensive efforts of the State's Attorney's Office, the Police Chiefs Association in particular, Police Chief Tom Sweeney of Glastonbury, we were able to come up with a mutual agreement on very comprehensive language that would bring conformity to our industry and those alike, in regards to licensing, recordkeeping, and the reporting of transactions.

During the interim, since this language was finalized towards the end of the last session, as Chief Sweeney mentioned earlier today, there was a minor -- minor technical changes that have come to our attention, and that language has already been submitted to the committee and is presently being discussed with other interested parties.

Our goal would be to see House Bill 5795 move forward with the minor changes and pass, hopefully, in the 2011 session. Simply put, this bill is good for the consumers, law enforcement, and our industry.

And, as always, our association is always open to working together with legislators, other interested parties in the best interest of public safety.

And if you have any questions, I'd be more than happy to answer them.

SENATOR HARTLEY: Jay, thanks.

JAY SARGENT: Yes.

SENATOR HARTLEY: There's been a lot of work here and this is, obviously, not you're nine-to-five job. And for you as well as everyone else who worked together thus far, kudos, because it wasn't simple, but I don't think I have the most recent draft in front of me. I have an LCO 1962. Is that -- that's not the --

JAY SARGENT: That was the last finalized draft from last session.

SENATOR HARTLEY: What your -- what's the most current LCO you have?

JAY SARGENT: I don't think it actually got filed yet. I will make sure you get that later today.

SENATOR HARTLEY: So -- so we don't have it yet?

JAY SARGENT: I was under the impression that you had already received the latest.

SENATOR HARTLEY: I do not have it. I haven't seen it. I've been asking for it. Okay?

JAY SARGENT: I will make sure you have it by tomorrow.

SENATOR HARTLEY: Please. Okay. We appreciate that.

Questions from members of the committee?

Cochair Dargan.

REP. DARGAN: Thank you for being here, again. I know that this has been something that we've been working on for the past few years. And I appreciate your input and the pawnbrokers group

from around the state and their input into this to make the pawnbrokers a better organization and thank you for your help along the way.

JAY SARGENT: I appreciate that. Thank you very much.

SENATOR HARTLEY: I thought you were going to be testifying with Good Olde Uncle Tom?

JAY SARGENT: No. I don't think so.

We also did submit testimony on House Bill 5939.

SENATOR HARTLEY: Yes.

JAY SARGENT: Written testimony, okay.

SENATOR HARTLEY: Okay. Do you want to comment on that?

JAY SARGENT: Not at this point.

SENATOR HARTLEY: Okay. All right.

JAY SARGENT: Just we're in support of it. That's all.

SENATOR HARTLEY: Yes, we have that. Thank you.

And if there are no further questions from committee members, thanks for being with us, again, Jay.

JAY SARGENT: Thank you.

CHAD LAPLANTE: Thank you.

SENATOR HARTLEY: And we'd like to now invite Lori Pelletier -- the famous Lori Pelletier from the AFL-CIO.

**Connecticut Association of Pawnbrokers**  
Mailing Address: 503 Lakewood Road, Waterbury, CT 06704

February 15, 2011

**Re: SUPPORT Raised House Bill #5795**

Dear Public Safety and Security Committee,

My name is Jay Sargent, I am representing the CT Assoc. of Pawnbrokers in support of raised House Bill 5795. I am a partner with TC's Pawn Company of Waterbury, CT and President of the CT Association of Pawnbrokers.

During the 2010 Legislative Session, our Association initiated and testified to our support of House Bill 5342. At that time we were meeting with other interested parties with concerns on that Bill and other similar proposals. Through the extensive efforts of the States Attorney's Office and the Police Chiefs Association, in particular Police Chief Sweeney of Glastonbury and our Association, we were able to come to a mutual agreement on comprehensive language that would bring conformity to our industry and those alike, in regards to licensing, record keeping and the reporting of transactions.

During the interim since this language was finalized at the end of the last session, some minor technical changes have come to our attention and that language has been submitted and is presently being discussed with all other interested parties.

Our goal would be to see House Bill 5795 with the minor changes, passed during the 2011 session. Simply put, HB- 5795 is good for consumers, law enforcement and our industry.

As always our Association is open to working together with Legislators and other interested parties in the best interest of the public's safety and our business community.

Respectfully,

Jay Sargent  
President, CT Association of Pawnbrokers Inc.

Partner / General Manager  
TC's Pawn Company  
503 Lakewood Road  
Waterbury, CT 06704  
Tel. 203-753-7591

February 15, 2011

Testimony of Glastonbury Police Chief Thomas J. Sweeney to the Public Safety Committee regarding Raised Bill No. 5795 – AN ACT CONCERNING THE LICENSING AND RECORD KEEPING OF PAWNBROKERS AND PRECIOUS METAL AND STONE DEALERS, THE RETENTION OF CERTAIN GOODS AND CERTAIN FEES CHARGED BY PAWNBROKERS, and Raised Bill No. 5939 – AN ACT CONCERNING PRECIOUS METAL AND STONE DEALERS

As I address Raised Bills 5795 and 5939 which are before you today concerning the licensing and record keeping of pawnbrokers and precious metal dealers I do so not only as a representative of the Connecticut Police Chief's Association but also as the Chief of one of the six police departments which were centrally involved with the 2009 wide scale investigation of illegal fencing activities being conducted through a number of Connecticut pawn shops. That investigation demonstrated that systematic fencing activities were being conducted through a segment of the pawnshops in the State. Such fencing activity facilitates the criminal activity of career thieves engaged in systematic burglaries, larcenies and organized retail theft across the State. Pawnbroking is recognized in the law as an industry particularly well situated to dispose of stolen merchandise. Accordingly, the Connecticut Police Chiefs recognize and strongly support the need for improved licensing and regulation of the pawnbroking industry and the related activities of secondhand and precious metal dealers. House Bills No. 5795 and 5939 as currently worded do not, however, even begin to approach the scope of legislative revisions needed.

What is required is a comprehensive revision of the related statutes which at a minimum;

- 1 Clarifies and fixes responsibility for licensing and oversight of the activities of pawnbrokers and precious metal dealers;
2. Establishes a comprehensive and effective system for documenting, tracking and reporting merchandise going into the State's pawnshops; and
3. Establishes a parallel system to regulate the trafficking of stolen merchandise through second-hand dealers who are not engaged in the business of pawning merchandise.

I recognize that legitimate pawnbrokers provide an important service to those individuals who don't have ready access to other means of credit or short term financial support. I also appreciate the fact that the Connecticut Association of Pawnbrokers has recognized the need for improved legislation to clean up the criminal activity by some pawn businesses which have given a bad image to their profession. Our 2009 investigation tested eleven pawnbroking businesses. Nine of those establishments proceeded to purchase new in box tools which were clearly and unequivocally represented as stolen. In violation of existing statutes several of the businesses paid cash for the merchandise received. Some of the merchandise sold in this operation was subsequently listed and sold within hours on an internet auction site.

The scope and continuing nature of the problems presented by the systematic trafficking in stolen and potentially stolen merchandise through pawnshops and second hand dealers is demonstrated in the facts that:

Our background research for the 2009 investigation clearly identified career criminals who were regularly selling a high volume new in box merchandise to certain pawnshops. One such individual with seventy-two prior convictions over his twenty-two year criminal career collected \$12,703 in one month selling approximately \$40,000 worth of new stolen tools to two Waterbury pawnshops.

- In connection with the 2009 investigation we identified other non-pawnbroker businesses which were regularly purchasing and reselling new in box retail merchandise. Because they did not do any pawning or pledging, the purchasing activity of those second hand dealers was not subject to any of the licensing, reporting, or regulatory provisions governing pawnshops.
- In 2010, two of the businesses caught in the 2009 pawnshop investigation were again subject of arrests for trafficking in stolen merchandise. The scope and systematic nature of their trafficking activity resulted in charges being brought under the States' racketeering statutes.
- Last month of this year five police agencies in the Capitol Region conducted the first compliance checks of precious metal dealers in their communities. Of the twenty-eight businesses tested six purchased the presented precious metals without demanding positive identification and/or paid cash for the items purchased in direct violation of the existing statutes.

The above noted violations portray a wide open form of business operation in pawnshops and to a lesser degree with precious metal dealers that provide enormous potential for trafficking

stolen merchandise and weak or non-existent regulations to effectively constrain or detect that illegal activity. Last year near the close of the legislative session, a comprehensive proposal was developed to address the spectrum of problems law enforcement was facing in connection with these secondary sales of potentially stolen property. That proposal was the product of discussions between representatives of law enforcement, the pawnbroking industry and the precious metal dealers. With the assistance of Representatives Dargen and Nafis that proposal was prepared as a potential amendment to last year's HB 5342. Unfortunately, that revised legislation died as an uncalled amendment (LCO #5328) when budget issues which consumed the last days of last year's session.

Given the extensive work done last year to arrive at proposed legislation which balances the interests of the affected groups I would urge the Public Safety Committee to bring last year's uncalled amendment forward as substitute wording under HB 5795. That wording provides:

1. Clearly fixed responsibility for licensing and regulation of pawnbrokers, second hand dealers and precious metal dealers,
2. Requires full disclosure on all principals in a pawnbroking and second hand business,
3. Requires electronic reporting to police of all items received by pawnbrokers and second hand dealers,
4. Establishes digital photo records of the seller and merchandise received by pawnbrokers and second hand dealers,



5. Requires a minimum retention period of merchandise received by pawnbrokers and second hand dealers and full disclosure of all locations used to receive and store such merchandise,
6. Requires disclosure of all internet addresses used by pawnbrokers and second hand dealers to dispose of merchandise via the Internet.

I urge the Committee's favorable action on legislation to improve the regulation of pawnbrokers, second hand dealers and precious metal dealers. While I would hope that the Committee would pick up where last year's efforts left off, I and the Connecticut Police Chief's Association are prepared to assist the Legislature in any way possible to move forward these necessary changes.



State of Connecticut  
 HOUSE OF REPRESENTATIVES  
 STATE CAPITOL  
 HARTFORD, CONNECTICUT 06106-1591

REPRESENTATIVE SANDY H. NAFIS  
 27<sup>TH</sup> ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING  
 ROOM 4047  
 HARTFORD, CT 06108-1591

HOME: 860-866-9287  
 CAPITOL: (860) 240-8585  
 TOLL FREE: 1-800-842-1902  
 FAX: 860-240-0206  
 E-MAIL: Sandy.Nafis@cga.ct.gov

ASSISTANT DEPUTY SPEAKER

MEMBER  
 APPROPRIATIONS COMMITTEE  
 EDUCATION COMMITTEE  
 GENERAL LAW COMMITTEE

TESTIMONY OF  
 REPRESENTATIVE SANDY NAFIS, 27<sup>TH</sup> DISTRICT OF NEWINGTON  
 AND SENATOR PAUL DOYLE, 9<sup>TH</sup> DISTRICT

In Support of HB 5795 - The Licensing and Record Keeping of Pawnbrokers and  
 Precious Metal and Stone Dealers, The Retention of Certain Goods and Certain  
 Fees Charged by Pawnbrokers

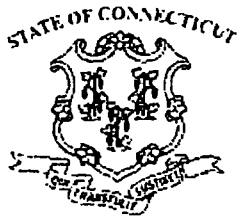
Public Hearing, February 15, 2011

Many thanks to the Public Safety & Security Committee for raising this bill and bringing it to the Public Hearing today. As many of you know, this issue was discussed at length last session and agreement was reached with LCO No. 5328, an amendment to HB 5342. Unfortunately, we ran out of time in the session and here we are again.

We support the compromise language as agreed to in the 2010 session. We do not, however, support the intent of section 4 of the proposed bill related to holding periods for 10 days.

Thanks again for your consideration of this issue, and please contact us if you have any questions.

In closing, we thank you for your consideration of HB 5795 reflecting the same language as 2010 Session Bill 5342, Amendment LCO No. 5328, and we urge you to vote it favorably out of committee.



Chief Sweeney

860/652-4201-W  
982-3325-Csee change on  
page 14Call  
Dargan

General Assembly

February Session, 2010

"UNCALLED  
**Amendment**"

LCO No. 5328

**\*HB0534205328HDO\***

Offered by:

REP. DARGAN, 115<sup>th</sup> Dist.

Rep Sandy Nafis

To: House Bill No. 5342

File No. 183

Cal. No. 120

**"AN ACT CONCERNING THE LICENSING AND RECORD KEEPING OF  
PAWNBROKERS AND PRECIOUS METAL AND STONE DEALERS, THE  
RETENTION OF CERTAIN GOODS AND CERTAIN FEES CHARGED BY  
PAWNBROKERS."**

Strike everything after the enacting clause and substitute the following in lieu thereof:

"Section 1. (NEW) (Effective October 1, 2010) As used in this section, sections 10 and 11 of this act, sections 21-39 to 21-47, inclusive, of the general statutes, as amended by this act, and section 21-100 of the general statutes, as amended by this act:

(1) "Pawnbroker" means a person who is engaged in the business of loaning money on the deposit or pledge of wearing apparel, jewelry, ornaments, household goods or other personal property or purchasing such property on condition of selling the same back again at a stipulated price;

- (2) "Precious metals dealer" means a person who is primarily engaged in the business of purchasing gold or gold-plated ware, silver or silver-plated ware, platinum ware, watches, jewelry, precious stones, bullion or coins and licensed under section 21-100 of the general statutes, as amended by this act;
- (3) "Secondhand dealer" means a person who is engaged in the business of purchasing personal property of any type from a person who is not a wholesaler for the purpose of reselling or exchanging such property, and has physical possession of such property, other than an antiques dealer, art dealer, coin and stamp dealer, precious metals dealer, pawnbroker, consignment shop operator, special collectibles dealer, musical instrument dealer, used book dealer, dealer in motor vehicles as described in chapter 246 of the general statutes, auctioneer as described in chapter 403 of the general statutes, junk dealer, as defined in section 21-9 of the general statutes, as amended by this act, scrap metal processor, as defined in section 14-67w of the general statutes, recycling facility, as defined in section 22a-207 of the general statutes, or bona fide charitable or religious corporation;
- (4) "Antiques dealer" means a person who is primarily engaged in the business of buying and selling items collected or desirable due to age, rarity, condition or some other unique feature;
- (5) "Art dealer" means a person who is primarily engaged in the business of buying and selling illustrative and decorative paintings, drawings, photographs, prints, sculptures or other works in the graphic or plastic arts, or decorative or artistic objects;
- (6) "Coin and stamp dealer" means a person who is primarily engaged in the business of buying and selling coins, stamps, currency or rare documents collected or desirable due to age, rarity, condition or some other unique feature;
- (7) "Consignment shop operator" means a person who is primarily engaged in the business of selling personal property as the agent of another person who has placed such property in the physical possession of the agent when such other person has not been paid for such property, retains legal title to such property and bears the risk of loss until such property is sold to a third person;
- (8) "Special collectibles dealer" means a person who is primarily engaged in the business of buying or selling a distinctive type of manufactured item of limited supply designed for persons to collect or that possesses attractive characteristics, rarity, uniqueness, production faults or other distinctive characteristics necessary to cause a person to save it for hobby, display or investment purposes, without regard to its value or practical use, including, but not limited to, china, glass, toys, militaria, sports memorabilia, movie memorabilia, railroad memorabilia, models, comic books, dolls, figurines or other items of interest to a discrete group of persons, excluding antiques, coins, stamps, works of art, books, jewelry or precious metals;
- (9) "Musical instruments dealer" means a person who is primarily engaged in the business of buying and selling new and used musical instruments and accessories;

(10) "Used book dealer" means a person who is primarily engaged in the business of buying and selling books previously sold at retail from persons other than a publisher or wholesaler;

(11) "Wholesaler" means a person engaged in the business of buying property in large quantities and reselling the property in the same or smaller quantities to persons who resell the property to the ultimate consumer;

(12) "Licensing authority" means the chief of police of any town or city or, if such town or city does not have an organized local police department, the Commissioner of Public Safety; and

(13) "Person" means an individual, corporation, limited liability company, partnership or association.

Sec. 2. Section 21-39 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

No person [ corporation, limited liability company or partnership] shall, in any city or town of this state, engage in or carry on the business of [loaning money upon deposits or pledges of wearing apparel, jewelry, ornaments, household goods or other personal property, or of purchasing such property on condition of selling the same back again at a stipulated price, unless such person, corporation, limited liability company or partnership is licensed as] a pawnbroker unless such person is licensed in accordance with section 21-40, as amended by this act; but the provisions of this chapter shall apply only if such property is deposited with a lender, and shall not apply to loans made upon stock, bonds, notes or other written or printed evidence of ownership of property or of indebtedness to the holder or owner of any such securities.

Sec. 3. Section 21-40 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) The [selectmen] licensing authority of any town [and the chief of police of any] or city may grant licenses to suitable persons to be pawnbrokers [and to carry on the business of lending money on the deposit or pledge of personal property, or of purchasing such property on condition of selling it back again at a stipulated price, or of purchasing such property from a person who is not a wholesaler,] in such town or city respectively, and may suspend or revoke such licenses for cause, [; but the selectmen shall not grant such licenses for the carrying on of such business within the limits of any city] which shall include, but not be limited to, failure to comply with any requirements for licensure specified by the licensing authority at the time of issuance.

(b) The person so licensed shall pay, for the benefit of any such city or town, respectively, or if the licensing authority is the Department of Public Safety, for the benefit of said department, to the licensing authority [granting such license] a license fee of fifty dollars, and twenty-five dollars per year thereafter for renewal of such license, and shall, at the time of receiving such license, file, with the [mayor of such city or the first selectman] licensing

authority of such city or town, a bond to such city or town, with competent surety, in the penal sum of two thousand dollars, to be approved by such licensing authority, and conditioned for the faithful performance of the duties and obligations pertaining to the business so licensed unless such person is also licensed as a secondhand dealer in accordance with section 10 of this act, in which case the licensing authority shall waive the payment of renewal fees and filing of a bond required by this subsection.

(c) Each such license shall designate the place where such business is to be carried on and shall [continue] be in effect for one year unless sooner suspended or revoked. Such license shall be displayed in a conspicuous location in the place where such business is carried on. At the time of application for such license and each renewal thereof, the applicant shall disclose to the licensing authority all places used or intended to be used by the business for the purchase, receipt, storage or sale of property. During the term of such license, the licensee shall notify the licensing authority of any additional places that will be used by the business for the purchase, receipt, storage or sale of property prior to such use.

(d) An application for such license shall be made in writing, under oath. The application shall contain: (1) The type of business to be engaged in, (2) the applicant's full name, age and date and place of birth, (3) the applicant's residence addresses and places of employment within the preceding five years, (4) the applicant's present occupation, (5) any crime of which the applicant has been convicted and the date and place of such conviction, and (6) such additional information as the licensing authority deems necessary to investigate the qualifications, character, competency and integrity of the applicant. If the applicant is a corporation, limited liability company, partnership or association, the application shall contain the information required by this subsection for each individual who is or will be an officer, shareholder, financial backer or creditor, other than a financial institution, of such entity or any other individual with a relationship to such entity similar to that of an officer, shareholder, financial backer or creditor.

(e) The application for such license and any renewal thereof shall contain information on any Internet web site or account used by such applicant to conduct the business. During the term of the license, the licensee shall notify the licensing authority in writing of the addition or discontinuation of any Internet web sites or accounts used to conduct the business.

(f) No license shall be issued under this section by the [selectmen or chief of police] licensing authority to any person who has been convicted of a felony. [The selectmen or chief of police may require any applicant for a license under this section to submit to state and national criminal history records checks. If the selectmen or chief of police require such criminal history records checks, such checks] The licensing authority may require any applicant, employee or person with an ownership interest in the business to submit to state and national criminal history records checks. Whenever the licensing authority requires such criminal history records checks, such individual shall submit two complete sets of fingerprints on forms prescribed by the licensing authority. Any criminal history records checks required pursuant to this subsection shall be conducted in accordance with section 29-17a. The licensing authority may charge the individual a fee equal to the fees established by

the Federal Bureau of Investigation and the State Police Bureau of Identification for performing such criminal history records checks.

(g) The licensing authority shall grant or deny such application not later than ninety days after the filing of such application with the licensing authority. The licensee shall file for a renewal of such license at least sixty days before the expiration of such license and the licensing authority shall grant or deny such renewal not later than thirty days after the filing of such application for renewal. Failure of the licensing authority to act on such initial application or renewal application within the applicable period specified in this subsection shall be deemed to be a denial. The licensing authority may suspend, revoke or modify any license issued under this section at any time during the period of the license for good cause shown, upon notice to the licensee and following a hearing. The licensing authority shall hold any such hearing not less than five days following the issuance of such notice and shall issue a decision not more than fourteen days after any hearing. Any person aggrieved by any action of the licensing authority in denying, suspending, revoking, modifying or refusing to renew a license issued pursuant to this section may appeal therefrom to the Superior Court.

Sec. 4. Section 21-41 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) No pawnbroker [or person who loans money on the deposit or pledge of wearing apparel, jewelry, ornaments, household goods or other personal property or purchases such property on condition of selling the same back again at a stipulated price or purchases such property from a person who is not a wholesaler] shall take, receive or purchase [such] tangible personal property without receiving proof of the identity of the person depositing, pledging or selling the property. Such identification shall include a photograph, an address, if available on the identification, and an identifying number, including, but not limited to, date of birth. [Any person who wilfully violates any provision of this subsection shall, for a first violation, have committed an infraction and, for a second or subsequent violation committed within two years of a prior violation, be guilty of a class A misdemeanor. ] No pawnbroker shall enter into any transaction with a minor unless such minor is accompanied by such minor's parent or guardian.

(b) Each such pawnbroker [or person carrying on such business of loaning money on the deposit or pledge of personal property or of purchasing such property on condition of selling the same back again at a stipulated price or of purchasing such property from a person who is not a wholesaler] shall maintain a computerized record-keeping system deemed appropriate by the [chief of police in cities and by the selectmen in towns] licensing authority, in which shall be entered in English, at the time [he] the pawnbroker receives any article of personal property by way of pledge, [pawn] deposit or purchase, a description of such article, the name, residence address, proof of identity as required in subsection (a) of this section and a general description of the person from whom, and the [day] date and hour when, such property was received and in which shall be included a digital photograph of each article. Each entry in the record-keeping system shall be numbered consecutively. A tag shall be attached to the article in a visible and convenient place with a number written on

such tag corresponding to the entry number in the record-keeping system and shall remain attached to the article until the article is sold or otherwise disposed of, provided the licensing authority shall prescribe procedures authorizing the removal of such tags from articles consisting of jewelry that are cleaned and repaired on the premises by the licensee that will provide accountability for such article. Such tag shall be visible in the digital photograph taken in accordance with this section. Such record-keeping system and the place where such business is carried on and all articles of property therein may be examined at all times by any state police officer, [by any] municipal police officer, by the [selectmen of the town] licensing authority or any person by them designated. [or, if such business is carried on in a city, by the chief of police of such city or any person by him designated. ] Any state police officer or municipal police officer [of the town or city where the business is carried on] who performs such an examination may require any employee on the premises to provide proof of [his] the employee's identity. All records maintained pursuant to this section shall be retained by the licensee for not less than two years.

(c) Except as provided in subsection (d) of this section, the description of any property received by a licensee under this section shall include, but shall not be limited to, all distinguishing marks, names of any kind, including brand and model names, model and serial numbers, engravings, etchings, affiliation with any institution or organization, dates, initials, color, size, vintage or image represented. Any description of audio, video or electronic media of any kind shall also include the title and artist or any other identifying information contained on the cover or external surface of such media.

(d) The licensing authority may provide for an exemption from, or establish additional or different requirements than, the requirements of subsection (c) of this section upon consideration of the nature of the property, transaction or business, including, but not limited to, articles in bulk lots or articles of minimal value.

Sec. 5. Section 21-42 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

Each such pawnbroker shall, at the time of making any loan on a pawn or pledge of personal property or of purchasing such property on condition of selling the same back again at a stipulated price [or of purchasing such property from a person who is not a wholesaler,] deliver to the person who [pawns] deposits, pledges or sells such property a memorandum or note containing (1) the entry required to be made in [his] such pawnbroker's computerized record-keeping system by the provisions of section 21-41, as amended by this act, (2) a copy of the statement signed by the person who deposits, pledges or sells such property that represents and warrants that such property is not stolen and has no liens or encumbrances against it, and that such person is the rightful owner of such property and has the right to enter into the transaction, and (3) a copy of the statement signed by the person who deposits, pledges or sells such property that states such person will indemnify and hold harmless such pawnbroker for any loss arising from the transaction because of a superior right of possession to the property residing with a third person. Each such pawnbroker may charge the person who deposits, pledges or sells such property a reasonable fee for such memorandum or note, the storage of the property, any insurance for



the property and any appraisal of the property. Each such pawnbroker shall pay for any property received by [pawn] deposit, pledge or purchase only by check, draft or money order and shall not pay cash for any such property except when the pawnbroker cashes a check, draft or money order for the person who is [pawning] depositing, pledging or selling the property. When the pawnbroker cashes a check, draft or money order, he shall require proof of the identity of the person presenting the check, draft or money order in accordance with subsection (a) of section 21-41, as amended by this act. [Any person who wilfully violates any provision of this section shall be guilty of a class A misdemeanor. ] Each such check, draft or money order shall contain the number or numbers associated with such property in the record-keeping system maintained in accordance with section 21-41, as amended by this act. Whenever payment is made by check, the pawnbroker shall retain the electronic copy of such check or other record issued by the financial institution who processed such check, and such copy or record shall be subject to inspection pursuant to section 21-41, as amended by this act, as part of such record-keeping system. No pawnbroker shall cash any check, draft or money order issued by such pawnbroker in an amount in excess of one thousand dollars and no person shall structure any transaction or transactions to avoid this prohibition. Any transaction or transactions between a pawnbroker and the same party within a twenty-four-hour period shall be aggregated and considered a single transaction for the purposes of this section.

Sec. 6. Section 21-43 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

Each [such] pawnbroker shall [make, weekly] submit to the licensing authority, weekly, or more frequently as determined by the licensing authority upon consideration of the volume and nature of the business, a sworn statement of his transactions, describing the [goods] property received and setting forth the nature and terms of the transaction and the name and residence address and a description of the person from whom the [goods were] property was received. [, to the chief of police in cases of cities and boroughs, and in other cases to the town clerk of the town in which such pawnbroker resides. Any such pawnbroker who wilfully fails to make the report required by this section shall be fined not more than one hundred dollars. ] Such statement shall be in an electronic format prescribed by the licensing authority. The licensing authority may grant an exemption from the requirement of submitting such statement in electronic format for good cause shown.

Sec. 7. Section 21-45 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

No pawnbroker shall sell or dispose of any personal property left with him in deposit or pledge for money loaned or as a result of the purchase of such property on condition of selling the same back again at a stipulated price in less than [two months] sixty days from the [day] date when the same is left in deposit or pledge [as aforesaid] or purchased on condition of selling the same back again at a stipulated price, except when such sale or disposition is to the person who deposited, pledged or sold such property or an authorized agent of such person. All such property may be sold or disposed of at the [premises] place of business of such pawnbroker or at public sale after [advertisement in a daily newspaper

published in the town in which such pawnbroker carries on business, at least once two days before the date of the sale or sales, which advertisement shall state the numbers of the pledge tickets representing the property offered for sale, and the date or dates when such tickets were issued. ] such sixty-day period and upon notice to the licensing authority. Upon the expiration of sixty days from the date when such property is left with a licensee, if the person who deposited or pledged such property fails to redeem any such property in accordance with the terms of the transaction, such right of redemption or repurchase on the part of the person who deposited or pledged such property shall be extinguished and the licensee shall acquire the entire interest in the property that was held by the person who deposited or pledged such property prior to such deposit or pledge without further notice to such person.

Sec. 8. Section 21-46a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

Whenever property is seized from the [premises] place of business of a pawnbroker, precious metals dealer or secondhand dealer by a law enforcement officer, such officer shall give the pawnbroker, precious metals dealer or secondhand dealer a duly signed receipt for the property containing a case number, a description of the property, the reason for the seizure, the name and address of the officer, the name and address of the person claiming a right to the property prior to the pawnbroker, precious metals dealer or secondhand dealer and the name of the pawnbroker, precious metals dealer or secondhand dealer. If the pawnbroker, precious metals dealer or secondhand dealer claims an ownership interest in such property, he may request the return of such property by filing a request therefor with the law enforcement agency in accordance with the provisions of section 54-36a. If the person who deposited, pledged or sold any property received by a licensee is convicted of any offense arising out of such licensee's acquisition, retention or disposition of the property and the licensee suffered an economic loss as a result of such offense, the court, at the time of sentencing, may order restitution to the licensee pursuant to subsection (c) of section 53a-28 and such order may be enforced in accordance with section 53a-28a.

Sec. 9. Section 21-47 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) Any person [, corporation, limited liability company or partnership which] who wilfully engages in the business of a pawnbroker, [or in any business described in section 21-39,] unless licensed according to law, or after notice that [its] his license has been suspended or revoked, shall be guilty of a class D felony. [, and also shall forfeit treble the amount loaned on the property so pledged to any person injured thereby who sues therefor. ] m. 1/10 / past on 14

(b) Any person [, corporation, limited liability company or partnership which] who wilfully violates any of the provisions of this chapter for which no other penalty is provided [or neglects to keep a record-keeping system in the English language or to make the entries therein as provided by law or refuses to allow the same to be inspected by the proper officers or receives an article of personal property by way of pawn, pledge or purchase from

any minor, knowing or having reason to believe him to be a minor,] shall be guilty of a class A misdemeanor.

Sec. 10. (NEW) (Effective October 1, 2010) (a) No person shall engage in the business of secondhand dealer, as defined in section 1 of this act, in any city or town of this state unless such person is licensed in accordance with this section. The licensing authority of any town or city may grant a secondhand dealer license to any suitable person with a fixed place of business within the limits of such town or city. The provisions of this section shall not apply to any transaction involving the purchase of personal property of any type from a person who is not a wholesaler for the purpose of reselling or exchanging such property by a bona fide charitable or religious corporation. The licensing authority may exempt a person conducting a garage sale, yard sale, tag sale or estate sale conducted entirely at a private residence where such sale does not exceed seventy-two hours in duration during any six-month period from the requirements of this section.

(b) Any person licensed under subsection (a) of this section shall pay, for the benefit of the city or town, respectively, or if the licensing authority is the Department of Public Safety, for the benefit of said department, to the licensing authority a license fee of two hundred fifty dollars, and one hundred dollars per year thereafter, for renewal of such license, and shall, at the time of receiving such license, file, with the licensing authority, a bond to such city or town, with competent surety, in the amount of ten thousand dollars, to be approved by such licensing authority and conditioned for the faithful performance of the duties and obligations pertaining to the business so licensed.

(c) Each such license shall designate the place where such business is to be carried on and shall be in effect for one year unless sooner suspended or revoked. Such license shall be displayed in a conspicuous location in the place where such business is carried on. At the time of application for such license and each renewal thereof, the applicant shall disclose to the licensing authority all places used or intended to be used by the business for the purchase, receipt, storage or sale of property. During the term of such license, the licensee shall notify the licensing authority of any additional places that will be used by the business for the purchase, receipt, storage or sale of property prior to such use.

(d) An application for such license shall be made in writing, under oath. The application shall contain: (1) The type of business to be engaged in, (2) the applicant's full name, age and date and place of birth, (3) the applicant's residence addresses and places of employment within the preceding five years, (4) the applicant's present occupation, (5) any crime of which the applicant has been convicted and the date and place of such conviction, and (6) such additional information as the licensing authority deems necessary to investigate the qualifications, character, competency and integrity of the applicant. If the applicant is a corporation, limited liability company, partnership or association, the application shall contain the information required by this subsection for each individual who is or will be an officer, shareholder, financial backer or creditor, other than a financial institution, of such entity or any other individual with a relationship to such entity similar to that of an officer, shareholder, financial backer or creditor.

- (e) The application for such license and any renewal thereof shall contain information on any Internet web site or account used by such applicant to conduct the business. During the term of the license, the licensee shall notify the licensing authority, in writing, of the addition or discontinuation of any Internet web sites or accounts used to conduct the business.
- (f) No license shall be issued under this section by the licensing authority to any person who has been convicted of a felony. The licensing authority may require any applicant, employee or person with an ownership interest in the business to submit to state and national criminal history records checks. Whenever the licensing authority requires such criminal history records checks, such individual shall submit two complete sets of fingerprints on forms prescribed by the licensing authority. Any criminal history records checks required pursuant to this subsection shall be conducted in accordance with section 29-17a of the general statutes. The licensing authority may charge the individual a fee equal to the fees established by the Federal Bureau of Investigation and the State Police Bureau of Identification for performing such criminal history records checks.
- (g) The licensing authority shall grant or deny an initial application not later than ninety days after the filing of such application with the licensing authority. The licensee shall file for any renewal of such license at least sixty days before the expiration of such license and the issuing authority shall grant or deny such renewal not later than thirty days from the filing of such application for renewal. Failure of the licensing authority to act on such application or renewal within such period shall be deemed to be a denial.
- (h) The licensing authority may suspend or revoke any license issued under this section or modify the requirements for such license at any time during the period of the license for good cause shown, upon notice to the licensee and following a hearing, which shall be held not less than five days following the issuance of such notice. The licensing authority shall issue a decision not more than fourteen days following any hearing.
- (i) Any person aggrieved by any action of the licensing authority in denying, suspending, revoking or refusing to renew a license issued pursuant to this section or modifying the requirements for such license may appeal therefrom to the Superior Court.
- (j) Any applicant for a license or renewal thereof may, at the time of the initial application or any time thereafter, apply for an exemption from the provisions of this section for the term of the license or for such shorter period as the licensing authority may determine. The licensing authority may grant such exemption for good cause shown. The licensing authority may, for good cause shown, exempt any individual from the provisions of this section who engages in activities otherwise subject to the provisions of this section on an occasional basis.
- (k) Any person who wilfully engages in the business of a secondhand dealer, unless licensed in accordance with this section or after notice that such person's license has been suspended or revoked, shall be guilty of a class D felony. ✓

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Sec. 11. (NEW) (Effective October 1, 2010) (a) No secondhand dealer shall take, receive or purchase tangible personal property without receiving proof of the identity of the person selling the property if such person is not a wholesaler. Such identification shall include a photograph, an address, if available on the identification, and an identifying number, including, but not limited to, date of birth.

(b) Each such secondhand dealer shall maintain a record-keeping system deemed appropriate by the licensing authority which shall be entered in English, at the time the licensee purchases any article of personal property, a description of such article and the name, the residence address, the proof of identity as required by this section and a general description of the person from whom, and the date and hour when, such property was purchased and in which shall be included a digital photograph of such article. Each entry in such record-keeping system shall be numbered consecutively. A tag shall be attached to the article in a visible and convenient place with a number written thereon corresponding to the entry number in the record-keeping system and shall remain attached to the article until the article is sold or otherwise disposed of, provided the licensing authority shall prescribe procedures authorizing the removal of such tags from articles consisting of jewelry that are cleaned and repaired on the premises by the licensee that will provide accountability for such articles. Such tag shall be visible in the digital photograph required by this subsection. Such record-keeping system and the place or places where such business is carried on and all articles of property therein may be examined at all times by any state police officer or municipal police officer. Any state police officer or municipal police officer who performs such an examination may require any employee on the premises to provide proof of such employee's identity. All records maintained pursuant this section shall be retained by the licensee for not less than two years.

(c) Except as provided in subsection (d) of this section, the description of any property purchased by a licensee under this section shall include, but not be limited to, all distinguishing marks, names of any kind, including brand and model names, model and serial numbers, engravings, etchings, affiliation with any institution or organization, dates, initials, color, size, vintage or image represented. Any description of audio, video or electronic media of any kind shall also include the title and artist or other identifying information contained on the cover or external surface of such media.

(d) The licensing authority may provide for an exemption from or establish additional or different requirements concerning the description of any property purchased by a licensee, upon consideration of the nature of the property, transaction or business, including, but not limited to, articles in bulk lots or articles of minimal value.

(e) Except as provided in subsection (f) of this section, (1) each secondhand dealer shall pay for any property purchased only by check, draft or money order and shall not pay cash for any such property.

(2) No secondhand dealer shall pay or cash any instrument issued by him.

(3) The dealer shall indicate on each such instrument the number or numbers associated with such property in the record-keeping system required to be maintained pursuant to this section.

(4) Any secondhand dealer who pays by check shall retain the electronic copy of such check or other record issued by the financial institution who processed such check, and such copy or record shall be subject to inspection in accordance with this section as part of the record-keeping system.

(f) Any secondhand dealer who was licensed in any town or city as a pawnbroker pursuant to section 21-39 of the general statutes, as amended by this act, on March 31, 2010, and who continues to hold such license, may pay for property received pursuant to a secondhand dealer license issued in accordance with section 10 of this act in the manner authorized under section 21-42 of the general statutes, as amended by this act, until July 1, 2020, provided such secondhand dealer complies with all other provisions of this section relating to secondhand dealers.

(g) No secondhand dealer may purchase any personal property from a minor unless such minor is accompanied by such minor's parent or guardian.

(h) Each secondhand dealer shall make to the licensing authority, weekly or more frequently as determined by the licensing authority upon consideration of the volume and nature of the business, a sworn statement of his transactions, describing the property purchased and setting forth the nature and terms of the transaction and the name and residence address and a description of the person from whom the property was received. Such report shall be in an electronic format prescribed by the licensing authority. The licensing authority may grant exemptions from the requirement of making reports in an electronic format for good cause shown.

(i) No secondhand dealer shall sell or dispose of any personal property acquired in any transaction in the course of business in less than ten days from the date of its receipt. Upon the sale or disposition of such property, such dealer shall, if such property is not sold at retail at the place of business of such dealer, record in the record-keeping system required by this section the value received for such property, the name and address of the purchaser and the nature of the transaction.

(j) Whenever property is seized from the place of business of a secondhand dealer by a law enforcement officer, such officer shall give such secondhand dealer a duly signed receipt for the property containing a case number, a description of the property, the reason for the seizure, the name and address of the officer, the name and address of the person claiming a right to the property prior to the secondhand dealer and the name of the secondhand dealer. If the secondhand dealer claims an ownership interest in such property, he may request the return of such property by filing a request therefor with the law enforcement agency in accordance with the provisions of section 54-36a of the general statutes. If the seller of any property purchased by a licensee is convicted of any offense arising out of such licensee's acquisition of the property and the licensee suffered an economic loss as a result of such offense, the court may, at the time of sentencing, order restitution to the secondhand dealer

pursuant to subsection (c) of section 53a-28 of the general statutes, which order may be enforced in accordance with section 53a-28a of the general statutes.

(k) Any person who violates any of the provisions of this section shall be guilty of a class A misdemeanor.

Sec. 12. Section 21-100 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

(a) No person may engage in or carry on the business of purchasing gold or gold-plated ware, silver or silver-plated ware, platinum ware, watches, jewelry, precious stones, bullion or coins unless such person is licensed by the [chief of police or, if there is no chief of police, the first selectman] licensing authority of the municipality in which such person intends to carry on such business; except that the provisions of this subsection shall not apply to the purchase of such items from a wholesaler by a manufacturer or retail seller whose primary place of business is located in this state. Such person shall pay an annual fee of ten dollars for such license. The license may be revocable for cause, which shall include, but not be limited to, failure to comply with any requirements for licensure specified by the licensing authority at the time of issuance. [A chief of police or first selectman] The licensing authority shall refuse to issue a license under this subsection to a person who has been convicted of a felony [A chief of police or first selectman] and may require any applicant for a license to submit to state and national criminal history records checks. If the [chief of police or first selectman] licensing authority requires such criminal history records checks, such checks shall be conducted in accordance with section 29-17a. For the purposes of this subsection "wholesaler" means a person in the business of selling tangible personal property to be resold at retail or raw materials to be manufactured into suitable forms for use by consumers.

(b) Each such [licensed person] licensee shall keep a record in which [he] such licensee shall note at the time of each transaction a description of the [goods] property purchased and the price paid for them, the name and address of the person selling the goods and the date and hour any such [goods were] property was received. Each such [licensed person] licensee shall demand positive identification from the person selling the article and the type or form of identification received shall be noted in the record. Any state police officer or municipal police officer shall have access to the record required to be kept under this section and may inspect the place where the business is carried on as well as any goods purchased or received.

(c) No [such licensed person] licensee may purchase any [goods] property from a minor unless such minor is accompanied by a parent or guardian. Each such [licensed person] licensee may only pay for [goods] property received by check, draft or money order and no cash shall be transferred to either party in the course of a transaction subject to the provisions of this section.

(d) At the time of making any purchase each [licensed person] licensee shall deliver to the person selling [goods] property a receipt containing the information required to be recorded

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in subsection (b) of this section, the amount paid for any [goods] property sold and the name and address of the purchaser.

(e) Upon request of the licensing authority each such [licensed person] licensee shall make a weekly sworn statement, describing the goods received and setting forth the name and address of each person from whom goods were purchased, to the [chief of police or first selectman] licensing authority of each municipality in which [he] the licensee transacted business that week. Such sworn statement shall not be deemed public records for the purposes of the Freedom of Information Act, as defined in section 1-200.

(f) Any person who violates any provision of this section shall be fined not more than one thousand dollars. (insert class D felony language)

Sec. 13. Section 21-9 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

As used in this chapter, "junk dealer" means any person who engages in business as a dealer and trader in junk, old metals, scrap, rags, waste paper or other secondhand articles that are no longer serviceable for their original manufactured purpose, and "junk yard" means any place in or on which old metal, glass, paper, cordage or other waste or discarded or secondhand material, which has not been a part, or is not intended to be a part, of any motor vehicle, is stored or deposited.

Sec. 14. Section 21-11 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2010*):

Any person desiring to engage in business as a dealer [and trader in secondhand bicycles,] in junk, metals or other secondhand articles that are no longer serviceable for their original manufactured purpose in any town, city or borough shall make application to the selectmen of such town, the mayor or chief of police of such city or the warden of such borough, as the case may be, for a license to transact such business within the limits of such town, city or borough, and the selectmen of such town, the mayor or chief of police of such city or the warden of such borough shall issue such licenses to such suitable persons as apply therefor and may revoke any such license for cause; but the selectmen shall not grant any such license for the carrying on of such business within the limits of any city or borough, and the persons so licensed shall pay, for the benefit of any such town, city or borough, to the authority granting the license, not less than two nor more than ten dollars therefor, to be determined by the authority granting the license, and for renewal of such license ten dollars per year. Each license granted under the provisions of this section shall designate the place where such business is to be carried on, and shall continue for one year unless sooner revoked. Each such dealer shall keep a book in which shall be written in English a description of such articles and the name and residence and a general description of the person from whom, and the time and hour when, such property was received; and such book, and all articles of property mentioned therein, and the place where such business is carried on, may be examined at any time by the selectmen of the town or any person designated by them, and, in any city or borough, by the chief of police of such city or borough or any person by him designated. Each such dealer shall make, weekly, sworn



statements of all his transactions under such license, describing the goods received and setting forth the name and residence and a description of the person from whom such goods were received, to the chief of police in the case of cities or boroughs and, in other cases, to the town clerk of the town in which such junk dealer resides, and shall keep all goods at least five days after the filing of such statement. "

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	New section
Sec. 2	<i>October 1, 2010</i>	21-39
Sec. 3	<i>October 1, 2010</i>	21-40
Sec. 4	<i>October 1, 2010</i>	21-41
Sec. 5	<i>October 1, 2010</i>	21-42
Sec. 6	<i>October 1, 2010</i>	21-43
Sec. 7	<i>October 1, 2010</i>	21-45
Sec. 8	<i>October 1, 2010</i>	21-46a
Sec. 9	<i>October 1, 2010</i>	21-47
Sec. 10	<i>October 1, 2010</i>	New section
Sec. 11	<i>October 1, 2010</i>	New section
Sec. 12	<i>October 1, 2010</i>	21-100

Sec. 13	<i>October 1, 2010</i>	21-9
Sec. 14	<i>October 1, 2010</i>	21-11



# STATE OF CONNECTICUT

OFFICE OF VICTIM ADVOCATE  
505 HUDSON STREET, HARTFORD, CONNECTICUT 06106

Michelle S. Cruz, Esq.  
State Victim Advocate

Testimony of Michelle Cruz, Esq., State Victim Advocate  
Public Safety and Security Committee  
Tuesday, February 15, 2011

Good morning Senator Hartley, Representative Dargan and distinguished members of the Public Safety and Security Committee. For the record, my name is Michelle Cruz and I am the Victim Advocate for the State of Connecticut. Thank you for the opportunity to provide testimony in **SUPPORT** of:

**Proposed House Bill No. 5795**, *An Act Concerning the Licensing and Record Keeping of Pawnbrokers and Precious Metal and Stone Dealers, the Retention of Certain Goods and Certain Fees Charged by Pawnbrokers*

**Proposed House Bill No. 5939**, *An Act Concerning Precious Metal and Stone Dealers*

Imagine for a moment, that you've had the bad fortune of becoming a victim of a burglary or larceny at your home and among the items stolen are your great-grandmother's engagement ring, rare coins left to you by your grandfather, and your child's engraved silver rattle. The unfortunate reality is that the chances of your precious memorabilia being returned to you are not very good. These types of items are often stolen by thieves with an addiction to drugs or alcohol. They are very quickly sold off to a pawnbroker, or alike, and resold without delay.

Many victims of robbery and larceny crimes have complained to the Office of the Victim Advocate (OVA) regarding this very issue. In addition to the initial violation of the burglary or larceny, crime victims find themselves at a loss of hope to recover their precious belongings. Further, crime victims have a constitutional right to receive restitution from the offender for property loss or damage. The difficulty with that is typically the unrecovered items are not documented with a receipt or appraisal and the personal value and emotional attachment are not compensable.

Proposed House Bill Nos. 5795 & 5939 will provide for a photographic record of items purchased by pawnbrokers, and others, for at least sixty days, as well as a stay to resell items for ten days. This requirement will not only assist law enforcement during the investigation and apprehension of stolen property but will also provide crime victims with some small measure of hope of recovering their family heirlooms. I strongly urge the Committee to support this important measure on behalf of victims of crime.

Thank you for consideration of my testimony.

Respectfully submitted,

Michelle Cruz, Esq.  
State Victim Advocate

Yankee Peddler & Pawn  
141 State Street, New London, CT 06320

**Re: SUPPORT Raised HB No. 5795**

February 14, 2011

To Whom It May Concern,

My name is Chad LaPlante and I am co owner of Yankee Peddler and Pawn in Groton and New London, CT. We have been in business for over 16 years and employ six people.

We are in support of bill 5795. Requiring all pawnbrokers and similar businesses to be computerized. It will keep detailed records for all law enforcement to locate or view any merchandise purchased by anyone who carries this same type of license. This will streamline all buyers of second hand merchandise. Working well with law enforcement is one of the factors we have built our reputation on.

Holding all purchases for 10 days from reporting will not be an issue for us because we already hold items for 5-10 days depending on when purchased. Also the digital photograph of all jewelry taken by any one who carries such license will better identify property. It is very important that anyone who carries a similar license all follow the same laws, which is not currently the case.

We also support clarifying the fees we may charge for delivering memorandum or note, storage, insurance, appraisal and other cost involved with processing a transaction.

Revoking of such license for cause in the current laws is not fair. With the proposed registered or certified mail and hearing it will give a chance for the licensee to defend oneself in order to have a fair and just decision made by the licensing authority.

Yankee peddler and pawn has been helping and serving the community we live in, with a much needed service. Many of the local businesses such as: Electric Boat, the casinos, and small shops and restaurants have been affected by layoffs and closures. By putting these laws in place will let us better serve law enforcement and consumers who need us most.

Sincerely,

Chad LaPlante  
Yankee Peddler and Pawn  
(New London & Groton, CT)  
141 State Street  
New London, CT 06320  
860-442-7296

Testimony on Proposed House Bill 5795

02/12/2011

Representative Nafis  
Representative Dargan  
Senator Doyle  
Committee on Public Safety

Personal Testimony of  
Stephen Lombardo

My Name is Stephen Lombardo I am and have been the owner of Express Pawn located at 961 First Avenue in West Haven CT. I have been in business at the same location for over thirteen years.

As a longtime pawnbroker and member of the Connecticut Association of Pawnbrokers as well as the National Pawnbrokers Association I am in Favor of HB 5795 and strongly urge everyone on the Committee to do all that can be done to see that this bill becomes law.

Thank You,

Stephen Lombardo

**Brass City Pawn LLC  
1274 Thomaston Ave  
Waterbury Ct 06704**

To whom it may Concern,

My Name is Chris Vescera, I am the Co owner of the Waterbury based Pawn Shop Brass City Pawn.

Brass City Pawn has been serving the Waterbury Community for the last 8 years and we believe that we serve a very important role in our local community and are able to assist local and state police agencies in their investigations when needed.

We are very much in support of Raised House Bills H.B. No. 5795 and H.B. No. 5939, these Bills will improve the way the our industry works for the business owners, the state, public and law officials.

Thank You

Chris Vescera  
Brass City pawn  
Waterbury, CT

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**PLANNING AND  
DEVELOPMENT  
PART 3  
628 – 964**

**2011**

## A YANKEE PEDDLER & PAWN NEW BRITAIN, CT

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February 15, 2011

To Whom It May Concern,

My name is Jason King. I have been the owner of A Yankee Peddler & Pawn in New Britain, CT for 15 years. We have always maintained a great relationship with the New Britain Police Department as well as all other Police Departments we have dealt with during this time.

I am in support of Raised House Bill #5795. This Bill would allow us to further assist the police departments as well as the community.

Taking photos of jewelry items will make each transaction a bit longer, but will help in the identification of those items. We currently describe each and every item we take in, whether it is jewelry or non-jewelry items in a very detailed manner. We include model and serial number of the non-jewelry items as well. Those numbers are like a social security number for merchandise, each one is unique to that particular item.

Another positive of the bill is the continued ability for each pawnbroker to cash the checks they write for merchandise brought in by customers. A large majority of our customers would need this money for gas to get to work; diapers for their children, food for their families, etc., that payment by check simply would not help with. It will allow us to keep our doors open and continue to serve the community.

We are also in support of Raised House Bill # 5939. This Bill would require a 10 day hold on purchased merchandise. We have been holding purchased items between 7-13 days since we opened in 1996 out of good faith.

Thank you for taking time to read this letter and we appreciate the ability to work together to help our community.

Jason King  
Owner  
A Yankee Peddler & Pawn-New Britain



**SALLY GOODMAN ANTIQUES****-901 WHALLEY AVE, NEW HAVEN, CT 06515 -**

To Whom It May Concern,

Please let this letter serve as an endorsement of House Bill No. 5795 & House Bill No.5939.

I am NOT a pawnbroker, but am a Precious Metal Dealer with many years experience. I feel that both of these Bills are a step in the right direction in regards to the prevention of crime and furthermore to the elimination of the "hotel room boiler plate" gold buying operations.

Thank You,  
Steven Goodman  
GIA Graduate Gemologist  
Sally Goodman Antiques  
901 Whalley Ave.  
New Haven,CT.06515

**S - 632**

**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2011**

**VOL. 54  
PART 21  
6546-6914**

mhr/cd/gbr  
SENATE

509  
June 7, 2011

Moving to calendar page 24, Calendar 577, House  
Bill Number 5795.

Madam President, move to place this item on the  
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving now to calendar page 25, Calendar 581,  
House Bill Number 6354.

Move to place the item on the Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 26, Calendar 596, House  
Bill Number 6282.

Move to place this item on the Consent  
Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

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SENATE

520  
June 7, 2011

Mr. Clerk.

THE CLERK:

Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CLERK:

Madam President, the items placed...

THE CHAIR:

I would ask the Chamber to be quiet please so we can hear the call of the Calendar for the Consent Calendar.

Thank you.

Please proceed, Mr. Clerk

THE CLERK:

Madam President, the items placed on the first Consent Calendar begin on calendar page 5, Calendar 336, House Bill 5697.

Calendar page 7, Calendar 421, Substitute for House Bill 6126.

Calendar page 8, Calendar 449, Senate Bill 1149.

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SENATE

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Calendar page 10, Calendar 470, Substitute for House Bill 5340. Calendar 474, Substitute for House Bill 6274. Calendar 476, House Bill 6635.

Calendar page 12, Calendar 499, Substitute for House Bill 6638. Calendar 500, House Bill 6614. Calendar 508, House Bill 6222.

Calendar page 13, Calendar 511, House Bill 6356. Calendar 512, Substitute for House Bill 6422. Calendar 514, House Bill 6590. Calendar 515, House Bill 6221. Calendar 516, House Bill 6455.

Calendar page 14, Calendar 517, House Bill 6350. Calendar 519, House Bill 5437. Calendar 522, House Bill 6303.

Calendar page 15, Calendar 523, Substitute for House Bill 6499. Calendar 524, House Bill 6490. Calendar 525, House Bill 5780. Calendar 526, House Bill 6513. Calendar 527, Substitute for House Bill 6532.

Calendar page 16, Calendar 528, House Bill 6561. Calendar 529, Substitute for House Bill 6312. Calendar 530, Substitute for House Bill 5032. Calendar 532, House Bill 6338.

Calendar page 17, Calendar 533, Substitute for House Bill 6325. Calendar 534, House Bill 6352.

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Calendar 536, House Bill 5300. Calendar 537, House  
Bill 5482.

calendar page 18, Calendar 543, House Bill 6508.

Calendar 544, House Bill 6412. Calendar 546,  
Substitute for House Bill 6538. Calendar 547,  
Substitute for House Bill 6440. Calendar 548,  
Substitute for House Bill 6471.

Calendar page 19, Calendar 550, Substitute for  
House Bill 5802. Calendar 551, House Bill 6433.  
Calendar 552, House Bill 6413. Calendar 553,  
Substitute for House Bill 6227.

Calendar page 20, Calendar 554, Substitute for  
House Bill 5415. Calendar 557, Substitute for House  
Bill 6318. Calendar 558, Substitute for House Bill  
6565.

Calendar page 21, Calendar 559, Substitute for  
House Bill 6636.

Calendar page 22, Calendar 563, Substitute for  
House Bill 6600. Calendar 564, Substitute for House  
Bill 6598. Calendar 566, House Bill 5585.

Calendar page 23, Calendar 568, Substitute for  
House Bill 6103. Calendar 570, Substitute for House  
Bill 6336. Calendar 573, Substitute for House Bill  
6434.

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Calendar page 24, Calendar 577, Substitute for  
House Bill 5795.

Calendar page 25, Calendar 581, House Bill  
6354.

Calendar page 26, Calendar 596, Substitute for  
House Bill 6282. Calendar 598, Substitute for House  
Bill 6629.

Calendar page 27, Calendar 600, House Bill  
6314. Calendar 601, Substitute for House Bill 6529.  
Calendar 602, Substitute for House Bill 6438.  
Calendar 604, Substitute for House Bill 6639.

Calendar page 28, Calendar 605, Substitute for  
House Bill 6526. Calendar 608, House Bill 6284.

Calendar page 30, Calendar number 615,  
Substitute for House Bill 6485. Calendar 616,  
Substitute for House Bill 6498.

Calendar page 31, Calendar 619, Substitute for  
House Bill 6634. Calendar 627, Substitute for House  
Bill 6596.

Calendar page 32, Calendar 629, House Bill  
5634. Calendar 630, Substitute for House Bill 6631.  
Calendar 631, Substitute for House Bill 6357.  
Calendar 632, House Bill 6642.

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Calendar page 33, Calendar 634, Substitute for  
House Bill 5431. Calendar 636, Substitute for  
House, correction, House Bill 6100.

Page 34, Calendar 638, Substitute for House  
Bill 6525.

Calendar page 48, Calendar 399, Substitute for  
Senate Bill 1043.

Calendar page 49, Calendar 409, Substitute for  
House Bill 6233. Calendar 412, House Bill 5178.  
Calendar 422, Substitute for House Bill 6448.

Calendar page 52, Calendar 521, Substitute for  
House Bill 6113.

Madam President, that completes the item placed  
on the first Consent Calendar.

THE CHAIR:

Thank you, sir.

We call for another roll call vote. And the  
machine will be open for Consent Calendar number 1.

THE CLERK:

The Senate is now voting by roll on the Consent  
Calendar. Will all Senators please return to the  
Chamber. The Senate is now voting by roll on the  
Consent Calendar, will all Senators please return to  
the Chamber.



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Senator Cassano, would you vote, please, sir.

Thank you.

Well, all members have voted. All members have voted. The machine will be closed, and Mr. Clerk, will you call the tally?

THE CLERK:

Motion is on option Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 1 has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

We might stand at ease for just a moment as we prepare the next item..

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)