
A BILL FOR AN ACT

RELATING TO A PILOT PROGRAM FOR DAILY ELECTRONIC REPORTING OF
PAWNBROKER AND SECONDHAND DEALER TRANSACTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds property crimes,
2 specifically theft and burglary, are increasing at an alarming
3 rate in Hawaii. In many cases, property is stolen and then sold
4 for cash, which is then used to purchase illegal drugs.
5 Transactions with pawnbrokers and secondhand dealers frequently
6 present an opportunity for thieves to convert stolen property
7 into cash. However, records of pawn transactions are manually
8 prepared and submitted to the police. By the time the police
9 can review these reports, the property and the thief are usually
10 long gone.

11 The legislature further finds that modernizing the
12 reporting of pawnbroker and secondhand dealer transactions to
13 law enforcement agencies may reduce the impact of property
14 crimes. The use of an electronic system to record and report
15 daily transactions would reduce the time required to transfer
16 the information from a pawnshop or secondhand dealer to the



1 police department. A daily electronic reporting system would
2 allow police to inspect and track pawnshop and secondhand dealer
3 transactions in a timely manner, which would likely result in
4 faster recovery of stolen items and apprehension of criminals.

5 The purpose of this Act is to facilitate the timely
6 reporting of pawnbroker and secondhand dealer transactions, on a
7 pilot basis in the county of Maui, by creating a five-year pilot
8 program for the daily electronic reporting of transactions by
9 pawnbrokers and secondhand dealers.

10 SECTION 2. Section 486M-2, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§486M-2 Record of transactions.** (a) Every dealer, or
13 the agent, employee, or representative of the dealer shall,
14 immediately upon receipt of any article, record the following
15 information[~~, on a form~~] in a manner authorized by the chief of
16 police in each county:

- 17 (1) The name and address of the dealer;
- 18 (2) The name, residence address, date of birth, and the
19 age of the person from whom the article was received;
- 20 (3) The date and time the article was received by the
21 dealer;



- 1 (4) The signature of the person from whom the article was
2 received;
- 3 (5) The Hawaii [+]driver's[+] license number, or if the
4 person does not possess a Hawaii [+]driver's[+]
5 license, the number of and description of any
6 government issued identification [~~which~~] that bears a
7 photograph of the person from whom the article was
8 received;
- 9 (6) A complete and accurate description of the article
10 received, including all markings, names, initials, and
11 inscriptions;
- 12 (7) A reasonable estimate of the fineness and weights of
13 the precious and semiprecious metals and precious and
14 semiprecious gems received; and
- 15 (8) The price paid by the dealer for each article.
- 16 (b) Upon request and at the discretion of the chief of
17 police of each county, copies of all completed forms required by
18 this section shall be surrendered, mailed, or electronically
19 inputted and transmitted [~~via modem or by facsimile transmittal~~]
20 to the chief of police or to the chief of police's authorized



1 representative. The method of submittal to the chief of police
2 shall be at the option of the [~~dealer.~~] chief of police."

3 SECTION 3. (a) The Maui county police department shall
4 implement a pilot program for the daily electronic reporting of
5 pawnbroker and dealer transactions.

6 (b) The pilot program shall be implemented no later than
7 July 1, 2021, and shall operate for a period of five years.

8 (c) The pilot program shall include the following
9 requirements:

10 (1) Every dealer shall perform daily electronic reporting
11 via the Internet or computer disk in a manner and
12 using software as directed by the county chief of
13 police; provided that a dealer may continue using
14 existing software deemed by the county chief of police
15 to be sufficient to meet the electronic reporting
16 requirements of this section. The daily report shall
17 include all property pledged, received, traded,
18 bartered, bought, or otherwise acquired during the
19 twenty-four hours ending at 8:00 p.m. on the date of
20 the report;



- 1 (2) If a dealer discovers an error in the daily electronic
2 report required under paragraph (1), the dealer shall
3 immediately correct the error. A dealer shall be
4 allowed at least thirty days to correct an error in
5 the daily report discovered by the county police
6 department, commencing upon the receipt of notice of
7 the error from the police department;
- 8 (3) If a dealer experiences a computer malfunction
9 relating to the daily electronic reporting
10 requirements of this section, the dealer shall be
11 allowed a period of at least fifteen days to repair
12 the malfunction. During this period, the dealer shall
13 not be deemed in violation of this section if the
14 dealer has notified the county police department of
15 the malfunction and is making a bona fide effort to
16 repair the malfunction;
- 17 (4) A dealer shall not be responsible for a delay in
18 submitting daily electronic reports under this section
19 resulting from a malfunction of the reporting
20 database;



- 1 (5) During the period needed to address a reporting error
2 under paragraph (2), a computer malfunction under
3 paragraph (3), or a database malfunction under
4 paragraph (4), the dealer and the county chief of
5 police shall arrange a mutually acceptable alternative
6 method by which the dealer shall provide the
7 reportable data to the county chief of police;
- 8 (6) Regardless of the cause of any technical problem
9 preventing a dealer from uploading daily electronic
10 reports under this section, upon correction of the
11 problem, the dealer shall upload every reportable
12 transaction from every business day beginning on the
13 day of the first occurrence of the problem;
- 14 (7) The dealer, in lieu of electronic reporting under this
15 section, may manually record the transaction and
16 deliver the paper tickets for the transaction twice a
17 week to the county chief of police:
- 18 (A) For pawn transactions of less than \$20; or
19 (B) If the dealer is unable to afford a computer and
20 the software deemed necessary by the chief of
21 police of the applicable county; and



1 (8) An administrative fee of \$1.50 may be charged to the
2 dealer to offset the administrative costs of the
3 electronic reporting system for each pawn transaction:

4 (A) Reported electronically under this section; and

5 (B) Of at least \$20 reported manually under paragraph
6 (7)(B).

7 (d) The Maui county police department shall submit reports
8 of the department's findings and recommendations, including any
9 proposed legislation and a recommendation on whether the pilot
10 program should be extended, with or without modifications, as
11 follows:

12 (1) A first interim report to the president of the senate
13 and speaker of the house of representatives, submitted
14 no later than twenty days prior to the convening of
15 the regular session of 2023;

16 (2) A second interim report to the president of the senate
17 and speaker of the house of representatives, submitted
18 no later than twenty days prior to the convening of
19 the regular session of 2025; and



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1 (3) A final report to the legislature, submitted no later
 2 than twenty days prior to the convening of the regular
 3 session of 2027.

4 SECTION 4. There is appropriated out of the general
 5 revenues of the State of Hawaii the sum of \$ or so
 6 much thereof as may be necessary for fiscal year 2020-2021 for
 7 implementation and operation of a pilot program for electronic
 8 reporting of pawnbroker and secondhand dealer transactions.

9 The sum appropriated shall be expended by the Maui county
 10 police department for the purposes of section 3 of this Act.

11 SECTION 5. Statutory material to be repealed is bracketed
 12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2020.

14

INTRODUCED BY:

JAN 23 2020



H.B. NO. 2724

Report Title:

Maui County Police Department; Daily Electronic Reporting of Pawnbroker and Secondhand Dealer Transactions; Pilot Program; Appropriation

Description:

Requires the Maui County Police Department to implement a 5-year pilot program for the daily electronic reporting of pawnbroker and dealer transactions. Requires interim and final reports to the Legislature. Appropriates funds.

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