

Date: February 5, 2019

To: Senate Judiciary Committee 2019 Session concerning Senate Bill 46

Thank you for your attention to this matter.

My name is Dave Crume. I am the owner of Heartland Pawnbrokers with three locations in Kansas. I have worked in the industry since 1995. I have served as President of the Kansas Pawn Pawnbrokers Association, Board of Directors of the National Pawnbrokers Association, President of the National Pawnbrokers Association, and current Chairperson of the National Pawnbrokers Association Pawnbroker Certification Board of Governors.

Over the years, I have had cases of misappropriated property. It is stressful for victims and businesses alike. About 15 years ago, I was concerned with the process that was used for victims to recover misappropriated property and took those concerns to the Douglas County District Attorney. Then, as in now, he stated that there was already a procedure in place that they used that already protected the rights of all parties. That procedure was called a Property Hearing. The more I learned about Property Hearings, the more I was able to see why.

I have attended probably less than ten hearings over the years. Some I have won, and some I have lost. Sometimes other parties showed up, and other times they didn't. But each time, all parties were permitted to be heard. They weren't stressful and they weren't lengthy.

Sometimes victims request a Property Hearing, and sometimes wish to resolve their claim and deal with their insurance company or family issues separately.

If the ownership of an item is disputed, Law Enforcement places a hold on the item. I cannot recall a case where a pawnbroker lost an item that was placed on hold. These Holds can be extended indefinitely. These items can also be confiscated and held by Law Enforcement if there is any concern.

Having studied the proposed legislation, I have several areas of concern. Primarily, it would require a pawnbroker, or their representative to make a quick decision on property ownership without ample time for due diligence. The title to pawned items in a pawn shop doesn't transfer until at least three months of non-payment have lapsed. Until then, the title remains with the person who loaned on the item. We deal with items that have sensitive confidential data. Even if a pawnbroker relinquished their rights, they cannot relinquish the rights of another person's claim to the property.

The loss of property isn't the concern here. It's part of our business and pawnbrokers have and do return property without restitution. Unfortunately, this legislation doesn't address the nuances of a pawn transaction nor protect the rights of all interested parties.

Because of these concerns, I ask you to reject Senate Bill 46.

Thank you,

Dave Crume

Heartland Pawnbrokers

Olathe, Overland Park, Lawrence