

SECONDHAND MERCHANDISE ADVISORY BOARD MEETING

Minutes: ___X___ Approved

___ Pending (Draft)

LOCATION: CROWN PAWN
130 EAST 3300 SOUTH
SALT LAKE CITY UT 84115
August 7, 2013
8:00am

BOARD MEMBERS PRESENT:

Mike Katsanevas, representative from pawnshop industry
Brad Jenkins, representative from pawnshop industry
Mike Malay, representative from pawnshop industry
Boyd Clark, representative from secondhand merchandise dealers industry
Dave Fadel, representative from secondhand merchandise dealers industry
Richard Jorgensen, representative of the Utah Municipal Prosecutors Association
Mike Millard, representative from law enforcement that works with pawnshops and SHMs
Tracy Vanroosendaal, representative of the Utah Chiefs of Police Association
Brad Smith, representative from general law enforcement
Staci Larsen, representative from coin dealers
Leena Kumar, representative from Central Database

BOARD MEMBERS ABSENT:

Holly Cocco, representative of Statewide Association of Prosecutors
Dennis Harris, representative of Utah Sheriff's Association
Vacant board position, representative from secondhand merchandise dealers industry

DIVISION STAFF PRESENT:

Glen Minson, Investigator

GUESTS:

Kari Roberts, Salt Lake Pawn Technician
Craig Park, Monarch Coin

The August 7, 2013 meeting of the Secondhand Merchandise Advisory Board (Board) began at 8:00am with Chairman of the Board, Mike Katsanevas, conducting the meeting. The chairman called the meeting to Order.

Agenda Items:

1. REVIEW OF THE REQUIREMENTS OF THE OPEN AND PUBLIC MEETINGS ACT

Chairman Katsanevas advised those members present that the Board would be following Robert's Rules of Order for this and future meetings. Katsanevas presented the agenda as posted on the Public Notices Website for approval by the Board. Approval was unanimous.

Investigator Minson asked all Board members and guests to identify themselves on the record to be compliant with the Open and Public Meetings Act. Investigator Minson distributed a copy of the Open and Public Meetings Act to all members.

Richard Jorgensen presented the current version of the Open and Public Meetings Act and the requirements therein to the Board.

2. DISCUSSION ON ESTABLISHING “BEST PRACTICES” AND SUBMISSION PROCEDURES FOR REVIEW

Investigator Minson reviewed a letter that was previously distributed to the Board from Rep. Seelig of the Utah legislature. Investigator Minson reviewed the addition of a provision in the Pawnshop and Secondhand Merchandise Transaction Information Act §13-32a-112(8)(a) that was added to the Act in the 2012 General Session of the Utah Legislature. The addition outlined the Board's ability to propose to the division administrative rules establishing industry standards for “Best Practices.” Minson proposed to the Board that submissions for Best Practices needed to be in writing from the Board so that the Division could take the best practices under advisement for purposes of creating administrative rules outlining the proposed and voted upon Best Practices.

Minson informed the Board that members need to notify the Division of any Best Practices that they wish to discuss and vote on prior to board meetings so they may be added to the agenda prior to the board meeting.

Millard asked whether the Best Practices are enforceable by the Division or by criminal law enforcement. Minson indicated it is not clear that the Best Practices amendment to the Act is enforceable under the other penalties indicated in the Act.

Minson advised Chairman Katsanevas to work with Board members to determine and respond to Rep. Seelig's letter asking for information from the Board. Seelig requested information on the Best Practices and also regulation of the gold and precious metal buyers.

3. REVIEW OF SUBMISSIONS FOR EXEMPTIONS UNDER THE ADMINISTRATIVE RULES OF THE PSMTIA

Gary Taylor, owner of Blakfyre Games, submitted a request in writing to the Division that secondhand merchants dealing in the purchase, sale, and exchange of board games, card games, and other non-electronic games. Minson provided a copy of the letter to the board for discussion.

The Board discussed whether or the rules are to exempt businesses by business names or by type of items purchased. Minson advised the Board that the rules stated that certain types of businesses may be exempted, rather than specific businesses by name.

The Board discussed their concerns regarding exempting merchants that deal in the sale, exchange, or purchase of board games and card games. Katsanevas, Smith, Malay, and Vanroosendaal all voiced objections to exempting these types of items from the statute. Vanroosendaal raised the issue that she has worked cases that involve these types of items. Several members of the board indicated that there are certain types of tradable cards that are valuable and are subject to theft based on their value.

Minson asked that those Board members who might have insight or specific examples of these types of items being subject to theft to conduct additional research and bring it before the Board.

The Board discussed tabling this matter to next Board meeting for further discussion while a few Board members do additional research on the matter. Malay put forth a motion to table the matter until the next Board meeting in Nov 2013. Jenkins seconded the motion. The Board voted on the motion and it was carried unanimously.

4. DISCUSSION REGARDING BAILBOND COMPANIES THAT TAKE COLLATERAL SECURITY AND THE POSSIBLE NEED FOR THOSE COMPANIES TO REGISTER WITH THE DIVISION AND UPLOAD THOSE ITEMS

Millard discussed a situation in which a bailbond company asked Salt Lake PD if several bikes the bailbond company had in their possession were stolen. Millard was told that the bailbond company takes personal items as collateral on a bond or as payment for the premium on the bond. Millard indicated that Utah Code 31A-35-603 refers to collateral security taken by a bailbond company. Millard wanted to know if the receipt of the used collateral would subject bailbond companies to the PSMTIA. The Board was given a copy of section 31A-35-603.

Jenkins gave an explanation about bailbond companies and their practices regarding receipt of collateral security. Jenkins stated that there were two scenarios related to when a bailbond company would take collateral security: (1) to secure the face value of the bond and (2) as payment in whole or part for the premium of the bond. Jenkins stated there is a much higher chance of the bailbond company owning the collateral when the collateral is used to pay the premium on the bond. Jenkins stated it is common for bailbond companies to take collateral.

Minson asked Jenkins if there is an association for bailbond companies. Jenkins indicated that there was an association and he would get the Division the information to contact the bailbond association to engage them in discussion about the matter.

Jenkins brought a motion to table the matter to discuss it further at the next Board meeting in Nov 2013. The motion was seconded. The Board passed the motion unanimously.

5. DISCUSSION REGARDING SALT LAKE PD'S DRAFT LETTER REGARDING INFORMATION A BUSINESS MAY PRESENT TO A VICTIM IF THE VICTIM FINDS STOLEN ITEMS IN A SHOP

Millard indicated that Salt Lake PD has drafted a letter that businesses in his jurisdiction can give to victims that find stolen items in their shops. The letter's intent is to explain the proper steps the victim should take when stolen items are found in the business. It includes steps for the victim to follow and sets expectations regarding the subsequent police investigation. Millard would like the letter to be available to all shops statewide by placing it on the database for their use. The Board received a draft of the letter.

The Board would like to create a logo to affix to documents that are posted on the database by the Board to add some consistency and professionalism to the documents. The Board is going to generate examples of logos for future consideration.

6. OPEN FORUM FOR DISCUSSION

Minson discussed upgrades and search/sort features being added to the database to increase function and usability.

Meeting was adjourned.