



Connecticut Retail Merchants Association
The Voice of Retailing

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**Testimony by Tim Phelan,
President, Connecticut Retail Merchants Association
Judiciary Committee**

March 8, 2021

Sen. Winfield, Rep. Stafstrom, Sen. Kissel, Rep. Fishbein, and members of the Judiciary Committee. My name is Tim Phelan, and I am president of the Connecticut Retail Merchants Association, a statewide trade association representing thousands of Connecticut retailers, large and small, and all across our state of Connecticut. Thank you very much for the opportunity to testify today.

Retailer businesses in our state support more than 470,000 jobs and contribute more than \$34 billion to the state's economy. There are roughly 42,000 retail establishments in Connecticut, and in total, the retail industry produces approximately 14% of Connecticut's total GDP. As much as any other industry, retail is the lifeblood of commerce in Connecticut, indispensable to our economy and our quality of life.

I am here to testify regarding House Bill 6564, An Act Concerning Secondhand Dealers and Precious Metals or Stone Dealers and Pawnbrokers. CRMA strongly opposes this bill for reasons that I will outline, and we urge you to reject it.

As members of this Committee who have been in the legislature for some time may recall, during the 2011 legislative session there was a tremendous amount of work, and thoughtful collaboration, put in by all parties on this issue. The legislation that was ultimately approved by the General Assembly, was the direct result of a collaborative effort that including jewelers, second hand dealers, law enforcement and pawnbrokers.

The objective was to develop a modern, statewide record keeping system to provide needed protections for consumers when trading in precious metals and stones. The result was Public Act 11-100.

Among the many things that legislation accomplished, was to ensure that pawnbrokers could not give cash to customers when items were bought by the pawnshop. In other words, a pawn shop could not buy an item, give the customer a check in payment, and then immediately cash that check.

As a principal aspect of the compromise reflected in that bill, all parties agreed that such a practice would be eliminated for all NEW pawn shop license holders, grandfathering in current holders until 2021, when the prohibition would be applied to ALL license holders. That measure in the bill was critically important, then and now.

Unfortunately, bill you are considering this year, House Bill 6564, would eliminate that needed protection by allowing all holders to use the practice of cashing checks for customers. We strongly urge the committee to reject this bill.

Allowing pawnbrokers to give cash for items is just not good public policy. And it was not part of the compromise that all parties agreed to in 2011. It would:

- **critically weaken the record keeping system that is place, and**
- **eliminate a critical tool needed by law enforcement to track down stolen items.**

For retailers, the system now in place is essential to our efforts to protect ourselves – and consumers - against the ongoing threat of Organized Retail Crime, ORC, which continues to put great pressure on our members. And that has been heightened during the past year of COVID-19.

When this issue was first debated, a decade ago, the redeeming of gold for cash was at its peak. And while that may have subsided, unfortunately I can tell you that Organized Retail Crime against retailers has not.

Criminals will use all manner of ways to redeem their stolen items for cash. This bill, if it were to become law, would make it easier for them to do that. There is no better reason to oppose this bill.

For that reason, and all the reasons I've outlined in this testimony, we strongly urge this committee to reject House Bill 6564.

Thank you very much for your time. I welcome your questions.