

# HOUSE BILL REPORT

## HB 1829

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to trade-in or exchange of computer hardware.

**Brief Description:** Requiring a record of transaction for trade-in or exchange of computer hardware.

**Sponsors:** Representative Van Luven.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/17/97, 3/3/97 [DPS].

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## HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

**Staff:** Selwyn Walters (786-7117).

**Background:** The pawnbrokers and second-hand dealers statutes require pawnbrokers and second-hand dealers to record information about their transactions that identify the parties to the transaction and the property that are the subject of the transactions.

Upon the request of the chief of police or the chief county law enforcement officer, a pawnbroker or second-hand dealer must furnish a record of all transactions conducted on the preceding day. Any property that is suspected to be lost or stolen must be promptly reported to local law enforcement, along with identifying information on the property, the owner, if known, and the person from whom the property was received.

Violations of the statute are gross misdemeanors.

Transactions that involve trade-ins or exchanges on the purchase of other similar property of the same or greater value are exempt from provisions that apply to transactions by pawnbrokers and second-hand dealers.

There are no similar provisions relating to the trade-in or exchange of goods under the Uniform Commercial Code.

**Summary of Substitute Bill:** The trade-in or exchange of computer hardware is regulated under the Uniform Commercial Code. A retail establishment that accepts computer hardware as a trade-in or exchange for other computer hardware of greater value is required to record identifying information about an employee or a person involved in the trade-in or exchange. The recorded information must be maintained by the retailer for one year following the transaction, and is available for inspection by law enforcement authorities. Upon request, a record of the preceding day's used computer hardware transactions must be furnished to law enforcement authorities within a specified time. At a minimum, the retailer is given 24 hours to comply with the request. If a retailer suspects that computer hardware is lost or stolen, he or she must report all identifying information on the owner, if known, and on the person from whom the hardware was received. Gross misdemeanor penalties are established.

**Substitute Bill Compared to Original Bill:** The regulation of second-hand computer hardware sales is removed from the pawnbroker and second-hand dealers law and placed under the Uniform Commercial Code.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** (Concerns) Tamara Warnke, Pawnbrokers Association of Washington.