

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 720 Session of
2011

INTRODUCED BY V. BROWN, SHAPIRO, BARBIN, BROWNLEE, D. COSTA,
DAVIDSON, GEIST, JOSEPHS, KORTZ, MANN, MIRABITO, MOUL, MUNDY,
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FEBRUARY 16, 2011

AS REPORTED FROM COMMITTEE ON JUDICIARY, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 10, 2011

AN ACT

1 Amending the act of April 6, 1937 (P.L.200, No.51), entitled "An
2 act licensing and regulating the business of pawnbrokers;
3 providing for the issuance of licenses by the Secretary of
4 Banking; authorizing the Secretary of Banking to make
5 examinations and issue regulations; limiting the interest and
6 charges on loans; and prescribing penalties for the violation
7 of this act," further providing for definitions, for identity
8 of pledger and for pawn ticket; providing for hold orders and
9 related procedures; and further providing for sale of pledge
10 and for penalties.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The definitions of "pawnbroker," "pledge" and
14 "pledger" in section 2 of the act of April 6, 1937 (P.L.200,
15 No.51), known as the Pawnbrokers License Act, amended June 20,
16 1947 (P.L.701, No.305), are amended to read:

17 Section 2. Definitions.--The following terms shall be
18 construed in this act to have the following meanings, except in
19 those instances where the context clearly indicates otherwise.

20 "Pawnbroker" includes any person, who--(1) engages in the

1 business of lending money on the deposit or pledge of personal
2 property, other than choses in action, securities, or written
3 evidences of indebtedness; or (2) purchases personal property
4 with an expressed or implied agreement or understanding to sell
5 it back at a subsequent time at a stipulated price; or (3) lends
6 money upon goods, wares or merchandise pledged, stored or
7 deposited as collateral security; or (4) purchases items of
8 personal property without an agreement to sell the items back if
9 the transaction occurs in an establishment where business is
10 conducted under paragraph (1), (2) or (3).

11 "Pledge" means--(1) an article or articles deposited with a
12 pawnbroker as security for a loan in the course of his business
13 as defined in [the preceding paragraph] paragraph (3) of the
14 definition of "pawnbroker"; or (2) an item of personal property
15 purchased by the pawnbroker solely for resale.

16 "Pledger" means--(1) the person who obtains a loan from a
17 pawnbroker and delivers a pledge into the possession of a
18 pawnbroker, unless such person discloses that he is or was
19 acting for another in which case a "pledger" means the disclosed
20 principal; or (2) the person who sells an item of personal
21 property to a pawnbroker solely for the pawnbroker's resale of
22 the item.

23 * * *

24 Section 2. Section 13 of the act, amended December 15, 1969
25 (P.L.364, No.159), is amended to read:

26 Section 13. Identity of Pledger.--At the time of granting an
27 original loan or purchasing an item of personal property, the
28 pawnbroker shall enter upon his records, in the form and manner
29 designated by the Secretary of Banking, a description of the
30 pledger so as to identify the pledger, including [the pledger's

1 name and address, and either the pledger's motor vehicle
2 operator's number, the pledger's Social Security number, or, if
3 the pledger does not have this information, such other proof of
4 identity as the Secretary of Banking shall provide by
5 regulation.];

6 (1) name;

7 (2) address;

8 (3) age;

9 (4) sex;

10 (5) race;

11 (6) photocopy of a valid photo identification document

12 issued by the Federal or State government; and

13 (7) digital photograph of the pledger taken at the time of
14 the transaction.

15 Section 3. Section 14 of the act is amended to read:

16 Section 14. Pawn Ticket.--At the time of granting a loan and
17 upon the subsequent renewal of any loan or when purchasing
18 personal property, the pawnbroker shall furnish to the pledger a
19 pawn ticket which is serially numbered and which shall contain
20 the following information--name and address of the pawnbroker,
21 the name and address of the pledger, name and address of
22 disclosed principal, if any, the date of the loan, the amount
23 actually loaned, the serial number of the loan, description of
24 the pledge, due date of the loan, the total amount of principal,
25 interest and charges required to redeem the pledge on the due
26 date, a statement setting forth that the pledge may be sold
27 after ninety (90) days of the due date of the loan if not
28 redeemed. A pawnbroker may insert additional provisions on the
29 pawn ticket not inconsistent with this act, and he shall insert
30 such other provisions as may be required by the Secretary of

1 Banking.

2 A duplicate copy of the pawn ticket shall be retained by the
3 pawnbroker for his record.

4 The pawnbroker shall require the pledger to surrender the
5 original pawn ticket when the pledge is released or the loan is
6 renewed.

7 Section 4. The act is amended by adding a section to read:

8 Section 16.1. Hold Orders and Related Procedures.--(a) When
9 an appropriate law enforcement official has probable cause to
10 believe that property in the possession of a pawnbroker is
11 misappropriated, the official may place a written hold order on
12 the property. The written hold order shall impose a holding
13 period not to exceed ninety (90) days unless extended by court
14 order. The appropriate law enforcement official may rescind, in
15 writing, any hold order. An appropriate law enforcement official
16 may place only one hold order on property.

17 (b) Upon the expiration of the holding period, the
18 pawnbroker shall notify, in writing, the appropriate law
19 enforcement official by certified mail, return receipt
20 requested, that the holding period has expired. If, on the tenth
21 day after the written notice has been received by the
22 appropriate law enforcement official, the pawnbroker has not
23 received from a court an extension of the hold order on the
24 property and the property is not the subject of another court
25 proceeding, title to the property shall vest in and be deemed
26 conveyed by operation of law to the pawnbroker, free of any
27 liability for claims but subject to any restrictions contained
28 in the pawn transaction contract and subject to the provisions
29 of this section.

30 (c) A hold order must specify:

1 (1) The name and address of the pawnbroker.

2 (2) The name, title and identification number of the
3 representative of the appropriate law enforcement official or
4 the court placing the hold order.

5 (3) If applicable, the name and address of the appropriate
6 law enforcement official or court to which such representative
7 is attached and the number, if any, assigned to the claim
8 regarding the property.

9 (4) A complete description of the property to be held,
10 including model number and serial number if applicable.

11 (5) The name of the person reporting the property to be
12 misappropriated unless otherwise prohibited by law.

13 (6) The mailing address of the pawnbroker where the property
14 is held.

15 (7) The expiration date of the holding period.

16 (d) The pawnbroker or the pawnbroker's representative must
17 sign and date a copy of the hold order as evidence of receipt of
18 the hold order and the beginning of the ninety (90) day holding
19 period.

20 (e) (1) Except as provided in paragraph (2), a pawnbroker
21 may not release or dispose of property subject to a hold order
22 except pursuant to a court order, a written release from the
23 appropriate law enforcement official or the expiration of the
24 holding period of the hold order.

25 (2) While a hold order is in effect, the pawnbroker must
26 upon request release the property subject to the hold order to
27 the custody of the appropriate law enforcement official for use
28 in a criminal investigation. The release of the property to the
29 custody of the appropriate law enforcement official is not
30 considered a waiver or release of the pawnbroker's property

rights or interest in the property. Upon completion of the
criminal proceeding, the property must be returned to the
pawnbroker unless the court orders other disposition. When
another disposition is ordered, the court shall additionally
order the conveying customer to pay restitution to the
pawnbroker in the amount received by the conveying customer for
the property together with reasonable attorney fees and costs.

Section 5. Sections 23 and 31 of the act are amended to
read:

Section 23. Sale of Pledge.--Upon default in the payment of
any loan, a pawnbroker may sell the pledge upon the conditions
contained in this section.

A pawnbroker may sell a pledge at private sale for an amount
not less than that agreed to by the pledger, which amount shall
be stipulated on the pawn ticket and shall not be less than one
hundred twenty-five per cent (125%) of the amount of the loan. A
pledge which cannot be sold at private sale at the minimum price
agreed to by the pledger must be sold at public auction.

No unredeemed pledge may be sold before the expiration of
ninety (90) days after the due date of the loan unless otherwise
specifically authorized in writing by the pledger. This
authority to sell an unredeemed pledge prior to the expiration
of ninety (90) days after the due date of the loan must be given
by the pledger on a date subsequent to the due date of the loan.

An unredeemed pledge shall be sold within twelve months of
the due date of a loan. No interest or charges permitted under
this act may be collected on a loan after the expiration of
twelve months of the due date of a loan, whether the loan is
renewed, or the loan is paid and the pledge redeemed. Where the
pawnbroker has failed to sell the pledge within six months of

1 the due date of the loan, no such interest or charges may be
2 computed for the period after six months of the due date of a
3 loan in determining the surplus due the pledger if a pledge is
4 sold subsequent to six months after the due date of a loan.

5 A pawnbroker shall keep an article of personal property it
6 received as a pledge for not less than ninety (90) days.

7 Section 31. Penalties.--Any person, partnership, association
8 or corporation, or any partner, director, officer, agent or
9 member thereof who shall engage in the business of pawnbroking
10 in this Commonwealth without first obtaining a license under
11 this act, shall be guilty of a misdemeanor, and, upon conviction
12 thereof, shall be sentenced to pay a fine of not less than five
13 hundred (\$500.00) dollars nor more than five thousand
14 (\$5,000.00) dollars, and/or suffer imprisonment not less than
15 six months nor more than three years, in the discretion of the
16 court.

17 A pawnbroker licensed under the provisions of this act who
18 shall violate any provision of this act, or shall direct or
19 consent to such violation, shall be guilty of a misdemeanor,
20 and, upon conviction thereof, shall be sentenced to pay a fine
21 of not more than one thousand (\$1,000.00) dollars for the first
22 offense, and for each subsequent offense a like fine, and/or
23 suffer imprisonment not to exceed one year, in the discretion of
24 the court.

25 An individual, partnership, association, corporation or
26 business entity that commits a violation of this act shall, upon
27 conviction, in addition to the other penalties set forth in this
28 section, have its license issued under the act revoked and be
29 ineligible to apply for a pawnbroker's license under this act
30 for five (5) years after the violation FROM THE DATE OF



1 CONVICTION.

2 Section 6. This act shall take effect in 60 days.