

"PAWNBROKERS LICENSE ACT"

Act of Apr. 6, 1937, P.L. 200, No. 51

Cl. 63

AN ACT

Licensing and regulating the business of pawnbrokers; providing for the issuance of licenses by the Secretary of Banking; authorizing the Secretary of Banking to make examinations and issue regulations; limiting the interest and charges on loans; and prescribing penalties for the violation of this act.

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Section 1. Short Title.--Be it enacted, &c., That this act shall be known, and may be cited, as the "Pawnbrokers License Act."

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

"Pawnbroker" includes any person, who--(1) engages in the business of lending money on the deposit or pledge of personal property, other than choses in action, securities, or written evidences of indebtedness; or (2) purchases personal property with an expressed or implied agreement or understanding to sell it back at a subsequent time at a stipulated price; or (3) lends

money upon goods, wares or merchandise pledged, stored or deposited as collateral security.

"Pledge" means an article or articles deposited with a pawnbroker as security for a loan in the course of his business as defined in the preceding paragraph.

"Pledger" means the person who obtains a loan from a pawnbroker and delivers a pledge into the possession of a pawnbroker, unless such person discloses that he is or was acting for another in which case a "pledger" means the disclosed principal.

"Person" includes an individual, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any group of individuals however organized.

"Pawnbroking" means the business of a pawnbroker as defined in this act.

"Pawn Ticket" means the card, book, receipt or other record furnished to the pledger at the time a loan is granted containing the terms of the contract for a loan.

"Applicant" means any individual, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any group of individuals however organized applying for a license under this act and/or any person appearing as owner, partner, officer, director, trustee or other official of a partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any group of individuals however organized, on such application for license under this act.

"Municipality" includes a city, town, borough or township.

"Secretary of Banking" includes a designee of the Secretary of Banking. (Def. added Dec. 28, 1994, P.L.1402, No.163)

(2 amended Jun. 20, 1947, P.L.701, No.305)

Section 3. License Required.--No person, partnership, association, business corporation, nonprofit corporation, common law trust, joint-stock company or any group of individuals however organized shall, on and after the effective date of this act, engage or continue to engage in business as a pawnbroker in this Commonwealth except as authorized by this act and without first obtaining a license from the Secretary of Banking.

Section 4. Application for License.--(a) The application for such license shall be in writing, under oath and in the form prescribed by the Secretary of Banking and shall contain the name and address of the residence of the applicant, and if the applicant is a partnership, association, joint-stock company or common law trust of every member thereof, and if the applicant is a business corporation or nonprofit corporation of each officer and director thereof; also the county and municipality with street and number, if any, office building and room number, if any, where the business is to be conducted and such further information as the Secretary of Banking may require. The application shall be signed by the individual owner if the applicant is an individual, by all the partners if the applicant is a partnership, by two officers if the applicant is an association, joint-stock company or common law trust, and by the president and secretary if the applicant is a business corporation or a nonprofit corporation.

(b) Every applicant for a new license shall post, for a period of at least thirty (30) days beginning with the day the application is filed with the Secretary of Banking, in a conspicuous place on the outside of the premises or at the proposed new location for which the licensee applies a notice

of the application in the form, of the size and containing provisions as the Secretary of Banking may require by its regulations. Proof of the posting of the notice shall be filed with the Secretary of Banking.

(4 amended Dec. 28, 1994, P.L.1402, No.163)

Section 4.1. Hearing.--A public hearing shall be held upon initial application for a pawnbroker's license. The Secretary of Banking shall permit residents residing within a radius of five hundred (500) feet of the proposed location to testify at the hearing. All costs of the hearing shall be borne by the applicant. The Secretary of Banking shall give appropriate evidentiary weight to any testimony of these residents in the review of the application.

(4.1 added Dec. 28, 1994, P.L.1402, No.163)

Section 5. License Bond.--A bond in the penal sum of two thousand (\$2,000.00) dollars shall accompany every application for license. The bond shall be executed by a surety company authorized by the laws of Pennsylvania to transact business within this Commonwealth. The Secretary of Banking may, in lieu of such surety company bond, accept a bond executed by the applicant for license if such bond is secured by the deposit with the Secretary of Banking of cashiers checks, treasurers checks or certificates of deposit of a banking institution or readily marketable securities approved by the Secretary of Banking. Such collateral, deposited in lieu of a surety company bond, shall be deposited for safekeeping by the Secretary of Banking in the office of the State Treasurer. The bond shall be renewed and refiled annually not later than October first in each year. The bond shall be executed to the Commonwealth of Pennsylvania. The bond shall be for the use of the Commonwealth and for any person or persons who may have a cause of action against the pawnbroker as a licensee under this act. The condition of the bond shall be that the pawnbroker will comply with and abide by all the provisions of this act and all rules and regulations of the Secretary of Banking lawfully issued under this act, and will pay to the Commonwealth, to the Secretary of Banking, or to any person or persons any and all moneys that may come due to the Commonwealth, to the Secretary of Banking, or to any person or persons from the said pawnbroker under and by virtue of the provisions of this act. A separate bond shall be required for each place of business conducted by a pawnbroker. If any person shall be aggrieved by the misconduct of a pawnbroker, and shall recover judgment against him therefor, such person may on any execution issued under such judgment maintain an action upon the bond of the pawnbroker in any court having jurisdiction of the amount claimed, provided the Secretary of Banking assents thereto.

Section 5.1. License Renewal.--(a) An application for license renewal shall be published thirty (30) days before renewal in a newspaper of general circulation in the municipality where the license is to be renewed.

(b) The Secretary of Banking shall not issue a license or a license renewal for a period of at least five (5) years to any applicant who has been determined to be operating as a pawnbroker without a license.

(5.1 added Dec. 28, 1994, P.L.1402, No.163)

Section 6. License Fee.--Every application for license under this act shall be accompanied by an annual license fee as set by section 603-A(3) of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929." All licenses shall expire on October first annually. No abatement of the said license fee shall be made if the license is issued

for less than one year. Every license shall be renewed annually on the first day of October and an annual license renewal fee as set by section 603-A(3) of "The Administrative Code of 1929" shall be paid for the next ensuing license year.

All license fees and fines received by the Secretary of Banking shall be deposited in the State Treasury to the credit of the Banking Department Fund for the use of the Secretary of Banking in administering this act.

(6 amended Dec. 28, 1994, P.L.1402, No.163)

**Compiler's Note:** Section 15 of Act 67 of 1990 provided that section 6 is repealed insofar as it relates to fee payments.

Section 7. Issuance of License.--The Secretary of Banking, if he approves the application for license, shall issue to each pawnbroker a certificate showing the name of the pawnbroker and the address of the place of business. Such license shall be posted in a conspicuous place in the office of the pawnbroker so that it shall be in full view of the public at all times. Such license may not be transferred or assigned. Whenever a pawnbroker shall change his place of business to another location within the same city, borough or township, he shall at once give written notice thereof to the Secretary of Banking and return the license certificate to the Secretary of Banking for amendment. The Secretary of Banking, if he approves the removal, shall endorse on the license in writing his record of the change of address and the date thereof, which shall be the authority for the operation of such business under such license at such new location. No change in the place of business of a pawnbroker to a location outside the original city, borough or township shall be permitted under the same license. Not more than one place of business may be operated under the same license.

If a pawnbroker operates more than one place of business, additional licenses may be obtained by filing a separate application for each additional place of business and furnishing an additional bond for each additional place of business and paying the license fee provided in this act for each such place of business.

Section 8. Powers of the Secretary of Banking.--(a) The Secretary of Banking shall have the power to reject any application for license if he is satisfied that the financial responsibility, experience, character, and general fitness of the applicant or applicants is not such as to command the confidence of the community and to warrant the conclusion that the business will be operated honestly, fairly, and within the laws of this Commonwealth, or if he is not satisfied that allowing such applicant to engage in business will promote the convenience and advantage of the community in which the business of the applicant is to be conducted: Provided, however, That no license may be issued to an applicant who has been convicted under this act for engaging in the business of pawnbroking in this Commonwealth, without having obtained a license under this act. Further, the Secretary of Banking may reject an application for a license based upon proliferation of existing licenses within the same area, community opposition to the application and inability to meet minimum capital requirements or recordkeeping obligations.

(b) The Secretary of Banking may, upon thirty (30) days' written notice to the pawnbroker, forwarded by registered mail to the place of business of such pawnbroker as shown in the application for license, stating the contemplated action and in general the grounds therefor, revoke any license if the

pawnbroker shall violate any provision of this act, or if the pawnbroker shall violate any rule or regulation made by the Secretary of Banking under and within the authority of this act, or if a pawnbroker shall fail to comply with any demand, rule or regulation lawfully made by the Secretary of Banking under and within the authority of this act, or if the pawnbroker shall fail to pay the cost of examination by the Secretary of Banking or his authorized representative, or if the pawnbroker has failed to maintain in effect the bond required under the provisions of this act, or if the pawnbroker shall fail to file the annual report to the Secretary of Banking within the time stipulated in this act, or if any fact or condition exists which, if it had existed at the time of original application for such license, clearly would have warranted the Secretary of Banking originally in refusing to issue such license. Whenever such license is revoked, the Secretary of Banking shall not issue another to the said pawnbroker until the expiration of at least one year from the date of revocation of such license and not at all if such pawnbroker shall have been convicted for a deliberate violation of this act or for a second offense.

(c) The Secretary of Banking may require a pawnbroker licensed under this act to file special reports in addition to the annual report required under this act.

(d) The Secretary of Banking is hereby authorized and empowered to issue rules and regulations governing the records to be maintained by a pawnbroker licensed under this act, and he is further authorized and empowered to issue such general rules and regulations as may be necessary for the protection of the public and to insure the proper conduct of such business, and for the enforcement of this act, which rules and regulations shall have the force and effect of law. These rules and regulations shall include minimum start-up and capital operating requirements, the filing of annual reports to the Secretary of Banking and any other financial recordkeeping the Secretary of Banking deems necessary to ensure compliance with this act.

(8 amended Dec. 28, 1994, P.L.1402, No.163)

Section 9. Examination by the Secretary of Banking.--The Secretary of Banking and any person designated by him for that purpose may at any time investigate the business and examine the books, accounts, records, and files therein of every pawnbroker and of every person who or which shall be engaged in the business of pawnbroking whether such person shall act or claim to act as principal or agent, or under or without the authority of this act. For this purpose the Secretary of Banking shall have free access to the office and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons. A person, who is not licensed under this act, shall be presumed to be engaged in the business of pawnbroking if he advertises or solicits business as a pawnbroker as defined in this act, and the Secretary of Banking is in such cases authorized to examine the books, accounts, papers, files, safes, and vaults of such person for the purpose of discovering violations of this act.

The costs of every examination of the business of a licensed pawnbroker by the Secretary of Banking shall be paid by the pawnbroker so examined, and the Secretary of Banking may collect such costs from the surety company which has executed the bond required under this act, and he may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Section 10. Reports to the Secretary of Banking.--Every pawnbroker licensed under this act shall annually, on or before the first day of March, file a report with the Secretary of

Banking giving such relevant information as the Secretary of Banking may require concerning the business and operations during the previous calendar year of such licensed place of business conducted by the pawnbroker within this Commonwealth. Such report shall be made under oath and shall be in the form prescribed by the Secretary of Banking. For failure to file such report within the time specified, a pawnbroker shall pay to the Secretary of Banking a penalty of ten (\$10.00) dollars for each calendar day which such report is overdue, but the Secretary of Banking may, in his discretion, relieve a pawnbroker of any portion or all of such fine.

Section 11. Records Required.--Pawnbrokers licensed under this act shall maintain adequate records of all business transacted containing such information and in such form as shall be prescribed by the Secretary of Banking by general rule or regulation. The records of pawnbrokers shall be maintained in the English language. The records of a pawnbroker shall be retained for a period of two years after the date of the payment of any loan, or in case the loan is not paid, the records of a pawnbroker shall be retained for a period of two (2) years after the date of the sale of the pledge.

Section 12. Interest and Charges.--(A) A pawnbroker shall not charge, contract for or receive interest in excess of six per cent (6%) per year on any loan.

In addition to interest at the rate of six per cent (6%) per year, a pawnbroker may charge and collect from the pledger fees for storage, insurance, investigation, and other services which shall be--

Not more than two and one-half per cent (2 1/2%) per month on that part of the unpaid principal balance of any loan: Provided, however, That a pawnbroker may charge an additional fee of up to one dollar (\$1.00) to cover reporting relating to any pledge required by any governmental unit.

((A) amended Dec. 28, 1994, P.L.1402, No.163)

(B) The interest and charges authorized by this act shall be computed at the rates specified on the actual principal balance of the loan due for the actual time which has elapsed from the date of the loan to the date of payment. For the purpose of calculation of interest and charges permitted under this act, a year shall be twelve (12) calendar months, and a month shall be one calendar month, or any fractional part thereof. A calendar month shall be any period from a certain date in one month to the same date in the next succeeding month.

(C) A minimum of twenty-five cents (\$.25) on loans of three dollars and ninety-nine cents (\$3.99), or less, a minimum of fifty cents (\$.50) on loans of more than three dollars and ninety-nine cents (\$3.99) and not in excess of six dollars and ninety-nine cents (\$6.99), a minimum of seventy-five cents (\$.75) on loans of more than six dollars and ninety-nine cents (\$6.99) and not in excess of nine dollars and ninety-nine cents (\$9.99), and a minimum of one dollar (\$1.00) on loans in excess of ten dollars (\$10) and not exceeding fourteen dollars and ninety-nine cents (\$14.99), and a minimum of one dollar and fifty cents (\$1.50) on loans in excess of fifteen dollars (\$15), may be collected on any loan for interest and charges. ((C) amended July 31, 1963, P.L.423, No.220)

(D) No greater interest nor other fees, fines, charges or costs shall be charged, contracted for or received, directly or indirectly, under any pretext whatsoever. Interest and charges permitted under this act shall not be collected or deducted in advance.

(E) A pawnbroker who charges, contracts for or receives interest or charges greater than permitted under this act shall forfeit both principal and interest, and shall return the pledge upon demand of the pledger, and surrender of the pawn ticket without tender or payment of principal or interest. A pledger, borrowing money from a pawnbroker licensed under this act, who shall have paid any interest and charges in excess of those prescribed and allowed by the provisions of this act, shall be entitled to recover back from the pawnbroker, by action at law commenced within six months from the date of the last payment, any and all interest and charges paid in excess of those permitted under this act, and in addition fifty dollars (\$50.00) as a penalty to be paid to the pledger: Provided, nothing in this section shall be construed as prohibiting the pawnbroker from charging the pledger for actual expenses incurred for mailing when a pledge is redeemed by mail.

A pawnbroker shall at the time of payment furnish to the person paying a receipt showing the number of the pawn ticket on which the payment is made, the date of payment, the amount paid on principal of the loan, the amount paid for interest, and fees for storage, insurance, investigation and other services contemplated by this section, and the amount, if any, paid to the pawnbroker for cleaning, pressing, repairing or other similar services to the pledged personal property, which have been requested by the pledger. A duplicate copy of every receipt issued shall be retained by the pawnbroker for his record.

(12 amended Mar. 10, 1949, P.L.305, No.16; and May 20, 1949, P.L.1485, No.442)

Section 13. Identity of Pledger.--At the time of granting an original loan, the pawnbroker shall enter upon his records, in the form and manner designated by the Secretary of Banking, a description of the pledger so as to identify the pledger, including the pledger's name and address, and either the pledger's motor vehicle operator's number, the pledger's Social Security number, or, if the pledger does not have this information, such other proof of identity as the Secretary of Banking shall provide by regulation.

(13 amended Dec. 15, 1969, P.L.364, No.159)

Section 14. Pawn Ticket.--At the time of granting a loan and upon the subsequent renewal of any loan, the pawnbroker shall furnish to the pledger a pawn ticket which is serially numbered and which shall contain the following information--name and address of the pawnbroker, the name and address of the pledger, name and address of disclosed principal, if any, the date of the loan, the amount actually loaned, the serial number of the loan, description of the pledge, due date of the loan, the total amount of principal, interest and charges required to redeem the pledge on the due date, a statement setting forth that the pledge may be sold after ninety (90) days of the due date of the loan if not redeemed. A pawnbroker may insert additional provisions on the pawn ticket not inconsistent with this act, and he shall insert such other provisions as may be required by the Secretary of Banking.

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

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

Section 15. Negotiability of Ticket.--The pledger may by delivery of the pawn ticket, assign all his right, title, and interest in a pawn ticket and the pledge described therein.

Except as otherwise provided in this act, the person presenting a pawn ticket to the pawnbroker shall be presumed to be the pledger and shall be entitled to redeem the pledge, and the pawnbroker shall deliver the pledge to the person presenting such pawn ticket upon payment of principal, interest, and charges on the loan and upon surrender of the pawn ticket.

Section 16. Loss of Ticket; Seizure of Ticket or of Property Offered as Pledge.--Notice of a pawn ticket which has been lost, destroyed or stolen shall be furnished to the pawnbroker by the pledger in person or by registered mail. The receipt of notice by registered mail of a lost, destroyed or stolen ticket or the issuance of a stop ticket by the pawnbroker after personal notice by the pledger of a lost, destroyed or stolen ticket shall be treated by the pawnbroker as a stop against the loan. The pawnbroker shall require the alleged pledger to furnish an affidavit or written statement as to the loss, destruction or theft of the pawn ticket. The pawnbroker, upon receipt of such affidavit or written statement, shall permit the pledger to redeem the loan or shall furnish the pledger with a duplicate pawn ticket, and the pawnbroker shall not be liable for any pledge released on such affidavit or written statement, unless previous written notice by registered mail of an adverse claim was received by the pawnbroker or a stop ticket was issued by the pawnbroker.

Whenever a pawn ticket is presented to a pawnbroker, which pawn ticket has previously been reported to such pawnbroker as lost or stolen, the pawnbroker may seize and retain such pawn ticket on behalf of the rightful owner without incurring any liability whatsoever to the person presenting such pawn ticket.

Whenever any property is offered to a pawnbroker as a pledge which is stolen property or which the pawnbroker has reason to believe is stolen property, he may seize such property without incurring any liability whatsoever, either civil or criminal. Upon such seizure of property, a seizure receipt therefor shall be issued by the pawnbroker to the person from whom the property was seized. Such property and a copy of the seizure receipt shall be delivered immediately by the pawnbroker to the police authorities.

(16 amended Jul. 31, 1963, P.L.423, No.220)

Section 17. Altered Ticket.--Whenever a pawn ticket has been altered, the pawnbroker's records shall govern, and the pawnbroker shall deliver the pledge according to the terms of the pawn ticket as originally issued, and shall be relieved of any other liability to the pledgor or holder of the ticket.

Section 18. Counterfeit Ticket.--Whenever a pawn ticket is presented to a pawnbroker which is found to be counterfeit, the pawnbroker may seize and retain such counterfeit pawn ticket on behalf of the rightful owner of the pawn ticket without incurring any liability whatsoever to the person presenting such pawn ticket.

Section 19. Payment or Renewal.--A loan granted under the provisions of this act shall not be repayable in installments.

A pledge taken as security on a loan granted under the provisions of this act may be retained by the pawnbroker until a period of forty-eight (48) hours has elapsed since such pledge was received by the pawnbroker.

A pawnbroker shall, upon receipt of interest and charges, renew a loan for the original amount for a period of eight (8) months after the date of the original loan. Interest and charges on a loan shall not be compounded, nor may the interest or charges be added to the principal balance, when a loan is renewed for an amount greater than the principal amount due at



the time of renewal. The pledger shall, however, have the privilege of paying the loan in full at any time subsequent to forty-eight hours after the granting of the loan by payment of principal, interest, and charges authorized under the provisions of this act.

Whenever a loan is renewed, a new pawn ticket shall be furnished to the pledger as required under this act.

(19 amended Jul. 31, 1963, P.L.423, No.220)

Section 20. Care of Pledge.--A pawnbroker shall be liable for partial or total loss of a pledge or for damage thereto when caused by failure by the pawnbroker to exercise reasonable care in regard thereto or by fire, theft or burglary resulting from failure by the pawnbroker to exercise reasonable care in regard thereto; and he shall not be liable in the absence of an express written agreement to the contrary for the loss of a pledge, or part thereof, or for damage thereto, which could not have been avoided by the exercise of such reasonable care. The burden of proof to establish reasonable care shall be upon the pawnbroker. The Secretary of Banking may require a pawnbroker to carry adequate insurance on pledges if the financial responsibility of the pawnbroker does not assure adequate protection to the pledger.

Section 21. Pawnbroker's Lien on Pledge.--The pawnbroker shall have first lien on all pledges for the amount of his loan, interest, and charges in all cases, except where the pledging or possession thereof by the pledger constituted larceny at common law, or except where a prior lien exists by virtue of any other statute.

Except as otherwise provided in this act, a pawnbroker shall not be required by legal process, or otherwise, to deliver a pledge without surrender of the pawn ticket unless the pawn ticket has been impounded or its negotiation enjoined by a court of competent jurisdiction.

Section 22. Adverse Claims to Pledge.--Whenever more than one person claims the right to redeem a pledge, the pawnbroker shall incur no liability for refusing to deliver the pledge to either claimant until the respective rights of the claimants shall have been determined by a court of competent jurisdiction.

Whenever an action at law is brought against the pawnbroker for recovery of a pledge claimed by more than one person he may as a defense require all known claimants to interplead.

Whenever more than one person claims the right to redeem a pledge and no action is brought against the pawnbroker by either claimant within the period for which he is required to hold a pledge after the due date of the loan, or within thirty (30) days after notice of adverse claim, he may proceed to sell the pledge and hold the surplus, if any, for the period of time required under this act, subject to adjudication or other adjustment of the claimants' rights.

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

Section 24. Notice of Sale.--A pawnbroker shall not sell any pledge where the loan is seven dollars (\$7) or more unless due notice of such contemplated sale has been forwarded to the pledger by mail to the address given by the pledger at the time of obtaining the loan or to such new address of the pledger, as shown on the pawnbroker's record. Notice of the contemplated sale of a pledge shall be mailed to the pledger not less than thirty (30) days prior to the date of sale. Such notice shall state total amount of principal, interest, and charges due on the loan as of the date of the notice.

(24 amended Jul. 31, 1963, P.L.423, No.220)

Section 25. Disposition of Proceeds.--The proceeds from the sale of a pledge shall be applied, in the order specified, to the following purposes: Payment of the auctioneer's charges if sold at public auction, or commission for selling not to exceed five per cent (5%) if sold at private sale; payment of principal of the loan; payment of the interest on the loan permitted under this act, and payment of the charges on the loan permitted under this act; payment of postage for mailing notice to the pledger of the contemplated sale or notice of the surplus. The surplus, if any, shall be paid to the pledger or such other person who would have been entitled to redeem the pledge had it not been sold.

Section 26. Notice of Surplus.--Notice of any surplus of fifty cents (\$.50) or more resulting from the sale of a pledge shall be forwarded to the pledger within ten days of the date of sale by mail to the address given by the pledger at the time of obtaining the loan or to such new address of the pledger, of which the pawnbroker has received notice.

(26 amended Jul. 31, 1963, P.L.423, No.220)

Section 27. Reversion of Surplus.--If a surplus remaining from the sale of a pledge is not paid or claimed within one year from the date of sale, such surplus shall revert to the pawnbroker. The pawnbroker shall not be required to pay any interest on an unpaid surplus.

Section 28. Business Hours.--A pawnbroker shall not transact any business on Sunday, nor shall he accept a pledge on any other day between the hours of nine o'clock in the evening and seven o'clock in the morning, unless further restricted by municipal ordinance.

Section 29. Business with Minors.--A pawnbroker shall not accept a pledge from any person under the age of eighteen years.

(29 amended Oct. 10, 1974, P.L.709, No.236)

Section 30. Scope of Act.--This act shall not affect any existing laws, special or general, authorizing a charge for the loan of money in excess of interest at the legal rate. This act shall not apply to any person, persons, partnership, association or corporation (1) operating under the laws relating to banking institutions, building and loan associations, credit unions, or conducting business under a license issued by the Secretary

of Banking of the Commonwealth of Pennsylvania under the provisions of any other statute, (2) conducting a business as a storage warehouseman. (Par. amended Jun. 20, 1947, P.L.701, No.305)

This act shall not prevent or preclude any municipality from imposing other and further requirements or regulations of pawnbrokers not inconsistent with this act or the rules and regulations issued by the Secretary of Banking pursuant thereto, nor shall such municipality be prevented or precluded from providing such further supervision of pawnbrokers as may be deemed necessary or advisable for the police purposes of such municipality or from enforcing the same. Any such provisions or requirements under existing laws, ordinances or regulations of any municipality, not inconsistent with this act, shall remain in full force and effect.

A pawnbroker shall not be authorized to engage in business unless he shall have obtained a license from the municipality, if the municipality requires such a license to be obtained. The fee for such a license shall not exceed two hundred dollars (\$200.00) in the case of cities of the first and cities of the second class, and one hundred dollars (\$100.00) elsewhere.

The municipality issuing such license may, for violation of police regulations, suspend such license for a period of thirty (30) days. Immediately upon such suspension, the municipality shall give written notice to the Secretary of Banking, who shall, within thirty (30) days thereafter, conduct a hearing to ascertain if the license required by this act shall be revoked.

However, if, after such hearing, the Secretary of Banking shall determine that the license required by this act, shall not be revoked, written notice thereof shall be given to the municipality, and thereupon the suspension of municipal license shall be automatically dissolved by operation of law.

Licenses issued by municipalities shall impose no conditions inconsistent with the provisions of this act.

Whenever any pawnbroker shall make a complete and accurate report to the local police authorities, and shall comply with this act, and such regulations of the Secretary of Banking as may hereafter be adopted pursuant thereto, such conduct on the part of the pawnbroker shall be evidence of the innocence of such pawnbroker of any crime of receiving stolen goods, notwithstanding the fact that the articles may, in fact, be stolen: Provided, That nothing contained in this section shall be interpreted as limiting or interfering with the title to or right of possession of the lawful owner of such articles.

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

A pawnbroker licensed under the provisions of this act who shall violate any provision of this act, or shall direct or consent to such violation, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not more than one thousand (\$1,000.00) dollars for the first offense, and for each subsequent offense a like fine, and/or

suffer imprisonment not to exceed one year, in the discretion of the court.

Section 32. Interpretation of Act.--The provisions of this act are severable, and if any of its provisions shall be held unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this act. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included herein. Nothing in this act shall be construed so as to prevent any pawnbroker from granting a loan to any pledgor upon the deposit or pledge of stocks, bonds or other securities: Provided, That such loan shall not be granted in excess of three hundred dollars (\$300).

Section headings shall not be taken to govern or limit the scope of the sections of this act. The singular shall include the plural and the masculine shall include the feminine or neuter.

(32 amended Jul. 31, 1963, P.L.422, No.219)