

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 890** Session of
2013

INTRODUCED BY V. BROWN, HARHAI, D. COSTA, COHEN, STERN, KORTZ,
BROWNLEE, KINSEY, MURT AND PARKER, MARCH 11, 2013

AS REPORTED FROM COMMITTEE ON JUDICIARY, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 9, 2013

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
21 business of lending money on the deposit or pledge of personal

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

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

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

22 * * *

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

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

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

5 (1) name;

6 (2) address;

7 (3) age;

8 (4) sex;

9 (5) race;

10 (6) photocopy of a valid photo identification document

11 issued by the Federal or State government; and

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

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

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

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

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

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

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

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

29 (c) A hold order must specify:

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

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

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

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

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

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

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

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

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

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

1 criminal proceeding, the property must be returned to the
2 pawnbroker unless the court orders other disposition. When
3 another disposition is ordered, the court shall additionally
4 order the conveying customer to pay restitution to the
5 pawnbroker in the amount received by the conveying customer for
6 the property together with reasonable attorney fees and costs.

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

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

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

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

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

1 computed for the period after six months of the due date of a
2 loan in determining the surplus due the pledger if a pledge is
3 sold subsequent to six months after the due date of a loan.

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

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

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

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

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