
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1836 Session of
2013

INTRODUCED BY HARHAI, KORTZ, KULA, KOTIK, MAHONEY, DeLUCA,
READSHAW, MURT, CALTAGIRONE, GODSHALL AND FARRY,
NOVEMBER 14, 2013

REFERRED TO COMMITTEE ON JUDICIARY, NOVEMBER 14, 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 license
8 required, for application for license; repealing provisions
9 relating to interest and charges, to identity of pledgor, to
10 pawn ticket, to negotiability of ticket, to altered ticket,
11 to loss of ticket, seizure of ticket or of property offered
12 as pledge, to payment or renewal and to pawnbroker's lien on
13 pledge; further providing for pawnbroker's lien on pledge;
14 further providing for sale of pledge; repealing provisions
15 relating to business hours and business with minors; and
16 providing for pawnbroker transaction form, for recordkeeping
17 and storage, for pledged goods not redeemed, for pawn service
18 charges, for prohibited acts, for right to redeem, lost
19 transaction form, for pawnbroker's lien, for claims against
20 purchased goods or pledged goods held by pawnbrokers and for
21 hold orders.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Section 2 of the act of April 6, 1937 (P.L.200,
25 No.51), known as the Pawnbrokers License Act, amended June 20,
26 1947 (P.L.701, No.305) and December 28, 1994 (P.L.1402, No.163),

1 is amended to read:

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

5 "Pawnbroker" includes any person, who--(1) engages in the
6 business of lending money on the deposit or pledge of personal
7 property, other than choses in action, securities, or written
8 evidences of indebtedness; or (2) purchases personal property
9 with an expressed or implied agreement or understanding to sell
10 it back at a subsequent time at a stipulated price; or (3) lends
11 money upon goods, wares or merchandise pledged, stored or
12 deposited as collateral security.

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

16 "Pledger" means 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.

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

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

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

30 "Applicant" means any individual, partnership, association,

1 business corporation, nonprofit corporation, common law trust,
2 joint-stock company or any group of individuals however
3 organized applying for a license under this act and/or any
4 person appearing as owner, partner, officer, director, trustee
5 or other official of a partnership, association, business
6 corporation, nonprofit corporation, common law trust, joint-
7 stock company or any group of individuals however organized, on
8 such application for license under this act.

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

10 "Secretary of Banking" includes a designee of the Secretary
11 of Banking.]

12 Section 1.1. The act is amended by adding a section to read:

13 Section 2.1. Definitions.--The following terms shall be
14 construed in this act to have the following meanings, except in
15 those instances where the context clearly indicates otherwise:

16 "Amount financed." The amount of money loaned or principal
17 amount.

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

27 "Appropriate law enforcement official." Includes the
28 following:

29 (1) the sheriff of the county in which a pawnshop is
30 located;

1 (2) the police chief of the municipality in which a pawnshop
2 is located;

3 (3) the law enforcement official designated by the sheriff
4 or police chief if the official is employed by the county or
5 municipality; or

6 (4) the Pennsylvania State Police in the case of a pawnshop
7 located in a municipality which does not have a police
8 department and receives law enforcement services from the
9 Pennsylvania State Police.

10 "Beneficial owner." A person who does not have title to a
11 property but has rights in the property which are the normal
12 incident of owning the property.

13 "Claimant." A person who claims that his property was
14 misappropriated.

15 "Conveying customer." A person who delivers property into
16 the custody of a pawnbroker by pawn, sale, consignment or trade.

17 "Default date." That date upon which the pledgor's right of
18 redemption expires and absolute right, title and interest in the
19 pledged goods vests and is deemed conveyed to the pawnbroker by
20 operation of law.

21 "Identification." A government-issued photographic
22 identification, an electronic image taken from a government-
23 issued photographic identification or a government-issued non-
24 photographic identification.

25 "Misappropriated." Stolen, embezzled, converted or otherwise
26 wrongfully appropriated against the will of the rightful owner.

27 "Municipality." Includes a city, town, borough or township.

28 "Net worth." Total assets less total liabilities.

29 "Pawn." Any loan of funds on the security of pledged goods
30 on condition that the pledged goods are left in the possession

1 of the pawnbroker for a specified time period and may be
2 redeemed by the pledgor on the terms and conditions contained in
3 this act.

4 "Pawn service charge." A charge investigating the title,
5 storage and insuring of the security, closing the transaction,
6 making daily reports to appropriate law enforcement officials,
7 expenses and losses and all other services.

8 "Pawnbroker." Includes any person, who;

9 (1) engages in the business of lending money on the deposit
10 or pledge of personal property, other than choses in action,
11 securities, or written evidences of indebtedness; or

12 (2) purchases personal property with an expressed or implied
13 agreement or understanding to sell it back at a subsequent time
14 at a stipulated price; or

15 (3) lends money upon goods, wares or merchandise pledged,
16 stored or deposited as collateral security.

17 "Pawnbroker transaction form." The instrument on which a
18 pawnbroker records a pawn or purchase as provided in section
19 29.1.

20 "Pawning." The business of a pawnbroker as defined in
21 this act.

22 "Pawnshop." The location at which a pawnbroker conducts
23 business.

24 "Permitted vendor." Includes:

25 (1) a vendor who furnishes a pawnbroker with an invoice
26 specifying the vendor's name and address, the date of the sale,
27 a description of the items sold and the sales price and has an
28 established place of business; or

29 (2) in the case of a secondhand dealer, has represented in
30 writing that such dealer has complied with all applicable

1 recordkeeping, reporting and retention requirements pertaining
2 to goods sold or otherwise delivered to a pawnbroker.

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

7 "Pledge." An article or articles deposited with a pawnbroker
8 as security for a loan in the course of his business under this
9 act.

10 "Pledged goods." Tangible personal property that is
11 deposited or delivered into the possession of a pawnbroker in
12 connection with a pawn. "Pledged goods" does not include a title
13 or any other form of written security in tangible property in
14 lieu of actual physical possession, including, but not limited
15 to, choses in action, securities, printed evidence of
16 indebtedness or certificate of titles and other instruments
17 evidencing title to separate items of property, including motor
18 vehicles. For the purpose of Federal and State law, the term
19 "pledged goods" includes only a pledgor's right of redemption
20 interest in the tangible personal property for the duration of
21 the pawn.

22 "Pledgor." The person who obtains a loan from a pawnbroker
23 and delivers a pledge into the possession of a pawnbroker,
24 unless such person discloses that he is or was acting for
25 another in which case a "pledgor" means the disclosed principal.

26 "Purchase." The transfer and delivery of goods, by a person
27 other than a permitted vendor, to a pawnbroker by acquisition
28 for value, consignment or trade for other goods.

29 "Secretary of Banking and Securities." Includes a designee
30 of the Secretary of Banking and Securities.

1 Section 2. Section 3 of the act is amended to read:

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

10 (b) No person shall engage in the business of pawnbroking in
11 this Commonwealth unless the person has a valid license issued
12 by the secretary. A separate license is required for each
13 pawnshop. The secretary shall issue a license for each pawnshop
14 which meets the requirements for licensure.

15 (c) A licensee who seeks to move a pawnshop to another
16 location in this Commonwealth shall give written notice to the
17 secretary and the appropriate law enforcement official at least
18 thirty (30) days before the move. The secretary shall amend the
19 license to indicate the new location.

20 (d) A license issued under this section is valid for a
21 period of one year unless it is earlier relinquished, suspended
22 or revoked. The license shall be renewed annually, and each
23 licensee shall, initially and annually thereafter, pay to the
24 secretary a license fee of three hundred (\$300) dollars for each
25 license held.

26 (e) The secretary may issue a temporary license for the
27 operation of a pawnshop upon receipt of any of the following:

28 (1) An application to transfer an existing license from one
29 person to another.

30 (2) An application for a license which has an owner or

1 principal that the secretary, in his discretion, determines is
2 substantially similar to the existing licensee.
3 The temporary license is effective until a permanent license is
4 issued or denied by the secretary.

5 (f) A person shall apply to the secretary for a new license
6 or for a temporary license upon any change, directly or
7 beneficially, in the ownership of any pawnshop. An application
8 for a license or an application to transfer an existing license
9 is not required upon any change, directly or beneficially, in
10 the ownership of a pawnshop if one or more holders of at least
11 ninety per cent (90%) of the outstanding equity interest of the
12 pawnshop before the change in ownership continue to hold at
13 least ninety per cent (90%) of the outstanding equity interest
14 after the change in ownership.

15 (g) Any person applying for or renewing a local occupational
16 license to engage in the business of pawnbroking shall obtain a
17 valid license to engage in the business of pawnbroking before
18 the local business tax receipt may be issued or reissued.

19 Section 3. Section 4 of the act, amended December 28, 1994
20 (P.L.1402, No.163), is amended to read:

21 Section 4. Application for License.--(a) The application
22 for such license shall be in writing, under oath and in the form
23 prescribed by the Secretary of Banking and Securities and shall
24 contain the name and address of the residence of the applicant,
25 and if the applicant is a partnership, association, joint-stock
26 company or common law trust of every member thereof, and if the
27 applicant is a business corporation or nonprofit corporation of
28 each officer and director thereof; also the county and
29 municipality with street and number, if any, office building and
30 room number, if any, where the business is to be conducted and

1 such further information as the Secretary of Banking and
2 Securities may require. The application shall be signed by the
3 individual owner if the applicant is an individual, by all the
4 partners if the applicant is a partnership, by two officers if
5 the applicant is an association, joint-stock company or common
6 law trust, and by the president and secretary if the applicant
7 is a business corporation or a nonprofit corporation.

8 (b) Every applicant for a new license shall post, for a
9 period of at least thirty (30) days beginning with the day the
10 application is filed with the Secretary of Banking and
11 Securities, in a conspicuous place on the outside of the
12 premises or at the proposed new location for which the licensee
13 applies a notice of the application in the form, of the size and
14 containing provisions as the Secretary of Banking and Securities
15 may require by its regulations. Proof of the posting of the
16 notice shall be filed with the Secretary of Banking and
17 Securities.

18 (c) An applicant shall not be eligible for a license who,
19 within ten (10) years of receipt of the application by the
20 Secretary of Banking and Securities:

21 (1) has been convicted or found guilty of or pled guilty or
22 nolo contendere to a felony;

23 (2) has been convicted or found guilty of or pled guilty or
24 nolo contendere to a crime of theft, larceny, dealing in stolen
25 property, receiving stolen property, burglary, embezzlement,
26 obtaining property by false pretenses, possession of altered
27 property or any other fraudulent or dishonest dealing within ten
28 (10) years;

29 (3) acts as a beneficial owner for someone who has been
30 convicted or found guilty of or pled guilty or nolo contendere

1 to a felony or a crime listed under paragraph (2).

2 Section 4. Section 12 of the act, amended March 10, 1949
3 (P.L.305, No.16), May 20, 1949 (P.L.1485, No.442), July 31, 1963
4 (P.L.423, No.220) and December 28, 1994 (P.L.1402, No.163) is
5 repealed:

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

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

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

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

27 (C) A minimum of twenty-five cents (\$.25) on loans of three
28 dollars and ninety-nine cents (\$3.99), or less, a minimum of
29 fifty cents (\$.50) on loans of more than three dollars and
30 ninety-nine cents (\$3.99) and not in excess of six dollars and

1 ninety-nine cents (\$6.99), a minimum of seventy-five cents
2 (\$.75) on loans of more than six dollars and ninety-nine cents
3 (\$6.99) and not in excess of nine dollars and ninety-nine cents
4 (\$9.99), and a minimum of one dollar (\$1.00) on loans in excess
5 of ten dollars (\$10) and not exceeding fourteen dollars and
6 ninety-nine cents (\$14.99), and a minimum of one dollar and
7 fifty cents (\$1.50) on loans in excess of fifteen dollars (\$15),
8 may be collected on any loan for interest and charges.

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

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

30 A pawnbroker shall at the time of payment furnish to the

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

10 Section 5. Section 13 of the act, amended December 15, 1969
11 (P.L.364, No.159), is repealed:

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

21 Section 6. Sections 14 and 15 of the act are repealed:

22 [Section 14. Pawn Ticket.--At the time of granting a loan
23 and upon the subsequent renewal of any loan, the pawnbroker
24 shall furnish to the pledger a pawn ticket which is serially
25 numbered and which shall contain the following information--name
26 and address of the pawnbroker, the name and address of the
27 pledger, name and address of disclosed principal, if any, the
28 date of the loan, the amount actually loaned, the serial number
29 of the loan, description of the pledge, due date of the loan,
30 the total amount of principal, interest and charges required to

1 redeem the pledge on the due date, a statement setting forth
2 that the pledge may be sold after ninety (90) days of the due
3 date of the loan if not redeemed. A pawnbroker may insert
4 additional provisions on the pawn ticket not inconsistent with
5 this act, and he shall insert such other provisions as may be
6 required by the Secretary of Banking.

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

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

12 Section 15. Negotiability of Ticket.--The pledger may by
13 delivery of the pawn ticket, assign all his right, title, and
14 interest in a pawn ticket and the pledge described therein.
15 Except as otherwise provided in this act, the person presenting
16 a pawn ticket to the pawnbroker shall be presumed to be the
17 pledger and shall be entitled to redeem the pledge, and the
18 pawnbroker shall deliver the pledge to the person presenting
19 such pawn ticket upon payment of principal, interest, and
20 charges on the loan and upon surrender of the pawn ticket.]

21 Section 7. Section 16 of the act, amended July 31, 1963
22 (P.L.423, No.220), is repealed:

23 [Section 16. Loss of Ticket; Seizure of Ticket or of
24 Property Offered as Pledge.--Notice of a pawn ticket which has
25 been lost, destroyed or stolen shall be furnished to the
26 pawnbroker by the pledger in person or by registered mail. The
27 receipt of notice by registered mail of a lost, destroyed or
28 stolen ticket or the issuance of a stop ticket by the pawnbroker
29 after personal notice by the pledger of a lost, destroyed or
30 stolen ticket shall be treated by the pawnbroker as a stop

1 against the loan. The pawnbroker shall require the alleged
2 pledger to furnish an affidavit or written statement as to the
3 loss, destruction or theft of the pawn ticket. The pawnbroker,
4 upon receipt of such affidavit or written statement, shall
5 permit the pledger to redeem the loan or shall furnish the
6 pledger with a duplicate pawn ticket, and the pawnbroker shall
7 not be liable for any pledge released on such affidavit or
8 written statement, unless previous written notice by registered
9 mail of an adverse claim was received by the pawnbroker or a
10 stop ticket was issued by the pawnbroker.

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

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

25 Section 8. Sections 17 and 18 of the act are repealed:

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

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

7 Section 9. Section 19 of the act, amended July 31, 1963
8 (P.L.423, No.220), is repealed:

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

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

15 A pawnbroker shall, upon receipt of interest and charges,
16 renew a loan for the original amount for a period of eight (8)
17 months after the date of the original loan. Interest and charges
18 on a loan shall not be compounded, nor may the interest or
19 charges be added to the principal balance, when a loan is
20 renewed for an amount greater than the principal amount due at
21 the time of renewal. The pledger shall, however, have the
22 privilege of paying the loan in full at any time subsequent to
23 forty-eight hours after the granting of the loan by payment of
24 principal, interest, and charges authorized under the provisions
25 of this act.

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

28 Section 10. Sections 21 and 23 of the act are amended to
29 read:

30 Section 21. Pawnbroker's Lien on Pledge.--The pawnbroker

1 shall have first lien on all pledges for the amount of his loan,
2 interest, and charges in all cases, except where the pledging or
3 possession thereof by the pledger constituted larceny at common
4 law, or except where a prior lien exists by virtue of any other
5 statute.

6 Except as otherwise provided in this act, a pawnbroker shall
7 not be required by legal process, or otherwise, to deliver a
8 pledge without surrender of [the pawn ticket] an exact copy of
9 the completed pawnbroker transaction form unless the [pawn
10 ticket] pawnbroker transaction form has been impounded or its
11 negotiation enjoined by a court of competent jurisdiction.

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

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

22 [No unredeemed pledge may be sold before the expiration of
23 ninety (90) days after the due date of the loan unless otherwise
24 specifically authorized in writing by the pledger. This
25 authority to sell an unredeemed pledge prior to the expiration
26 of ninety (90) days after the due date of the loan must be given
27 by the pledger on a date subsequent to the due date of the loan.
28 An unredeemed pledge shall be sold within twelve months of the
29 due date of a loan. No interest or charges permitted under this
30 act may be collected on a loan after the expiration of twelve

1 months of the due date of a loan, whether the loan is renewed,
2 or the loan is paid and the pledge redeemed. Where the
3 pawnbroker has failed to sell the pledge within six months of
4 the due date of the loan, no such interest or charges may be
5 computed for the period after six months of the due date of a
6 loan in determining the surplus due the pledger if a pledge is
7 sold subsequent to six months after the due date of a loan.]

8 Section 11. Section 28 of the act is repealed:

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

14 Section 12. Section 29 of the act, amended October 10, 1974
15 (P.L.709, No.236), is repealed:

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

19 Section 13. The act is amended by adding sections to read:

20 Section 29.1. Pawnbroker Transaction Form.--(a) When a
21 pawnbroker enters into any pawn or purchase transaction, the
22 pawnbroker shall complete a pawnbroker transaction form for such
23 transaction. The form shall include whether the transaction is a
24 pawn or a purchase. The pledgor or seller shall sign such
25 completed form. The pawnbroker transaction form shall not be
26 used if the design and format of the pawnbroker transaction form
27 does not meet the requirements of this section. The pawnbroking
28 transaction form shall be eight and one-half inches by eleven
29 inches in size and contain the information required under this
30 section, which must be typed or written indelibly and legibly in

1 English.

2 (b) The front of the pawnbroker transaction form for a pawn
3 or purchase, as applicable, shall include all of the following:

4 (1) The name and address of the pawnshop.

5 (2) A complete and accurate description of the pledged goods
6 or purchased goods, including all of the following information:

7 (i) Brand name.

8 (ii) Model number.

9 (iii) Manufacturer's serial number.

10 (iv) Size.

11 (v) Color, as apparent to the untrained eye.

12 (vi) Precious metal type, weight and content, if known.

13 (vii) Gemstone description, including the number of stones.

14 (viii) In the case of firearms, the type of action, caliber
15 or gauge, number of barrels, barrel length and finish.

16 (ix) Any other unique identifying marks, numbers, names or
17 letters.

18 Notwithstanding subparagraphs (ii), (iii) and (vii), a pawn or
19 purchase of items of a similar nature delivered together in one
20 transaction which do not bear serial or model numbers or do not
21 include precious metal or gemstones, such as musical or video
22 recordings, books or hand tools, shall not require more than the
23 amount of items and a description of the type of items
24 delivered.

25 (3) The name, address, home telephone number, place of
26 employment, date of birth, physical description and right
27 thumbprint of the pledgor or seller.

28 (4) The date and time of the transaction.

29 (5) The type of identification accepted from the pledger or
30 seller, including the issuing agency and the identification

1 number.

2 (b) The front or back of the pawnbroker transaction form for
3 a pawn or purchase shall include all of the following:

4 (1) The amount of money advanced, which shall be designated
5 as the amount financed.

6 (2) The maturity date of the pawn, which shall be thirty
7 (30) days after the date of the pawn.

8 (3) The default date of the pawn and the amount due on the
9 default date.

10 (4) The total pawn service charge payable on the maturity
11 date, which shall be designated as the finance charge.

12 (5) The amount financed plus the finance charge that shall
13 be paid to redeem the pledged goods on the maturity date, which
14 shall be designated as the total of payments.

15 (6) The annual percentage rate, computed according to the
16 regulations adopted by the Federal Reserve Board under the Truth
17 in Lending Act (Public Law 90-321, 15 U.S.C. § 1601 et seq.).

18 (7) The amount of money paid for the goods or the monetary
19 value assigned to the goods in connection with the transaction.

20 (8) A statement that the pledgor or seller of the item
21 represents and warrants that it is not stolen, that it has no
22 liens or encumbrances against it and that the pledgor or seller
23 is the rightful owner of the goods and has the right to enter
24 into the transaction.

25 (c) The front of the pawnbroker transaction form for a pawn
26 shall include a statement of all of the following:

27 (1) Any personal property pledged to a pawnbroker within
28 this Commonwealth which is not redeemed within thirty (30) days
29 after the maturity date of the pawn shall be automatically
30 forfeited to the pawnbroker on the next business day after the

1 thirty (30) day period, and absolute right, title and interest
2 in the property vests and is deemed conveyed to the pawnbroker
3 by operation of law and no further notice is necessary.

4 (2) The pledgor is not obligated to redeem the pledged
5 goods.

6 (3) If the pawnbroker transaction form is lost, destroyed or
7 stolen, the pledgor shall immediately advise the issuing
8 pawnbroker in writing by certified or registered mail, return
9 receipt requested or in person evidenced by a signed receipt.

10 (4) A pawn may be extended upon mutual agreement of the
11 parties.

12 (d) A pawnbroker transaction form shall provide a space for
13 the imprint of the right thumbprint of the pledgor or seller and
14 a blank line for the signature of the pledgor or seller.

15 (e) At the time of the pawn or purchase transaction, the
16 pawnbroker shall obtain a right thumbprint and signature of the
17 pledgor or seller on the correct space and line of the
18 pawnbroker transaction form and shall deliver to the pledgor or
19 seller an exact copy of the completed pawnbroker transaction
20 form.

21 (f) Any person who knowingly provides false verification of
22 ownership or identification to a pawnbroker in the course of
23 pawn or purchase and receives compensation in exchange for
24 personal property commits:

25 (1) if the value of the money received is less than three
26 hundred dollars (\$300), a felony of the third degree; or

27 (2) if the value of the money received is three hundred
28 dollars (\$300) or more, a felony of the second degree.

29 Section 29.2. Recordkeeping; Storage.--(a) (1) Before the
30 end of each business day, a pawnbroker shall deliver, unless

1 subsection (d) applies, the original pawnbroker transaction form
2 to the appropriate law enforcement official for each transaction
3 during the previous business day, unless other arrangements have
4 been agreed upon between the pawnbroker and the appropriate law
5 enforcement official.

6 (2) A pawnbroker shall maintain the original or a copy of
7 each completed pawnbroker transaction form on the pawnshop
8 premises for at least one year after the date of the
9 transaction.

10 (3) If the original transaction form is lost or destroyed by
11 the appropriate law enforcement official, the copy retained by
12 the pawnbroker shall be admissible in court in the same manner
13 as an original pawnbroker transaction form.

14 (b) When an electronic image of a pledgor or seller
15 identification is accepted for a transaction, the pawnbroker
16 shall maintain the electronic image in order to meet the same
17 recordkeeping requirements as for the original transaction form.
18 If a criminal investigation occurs, the pawnbroker shall, upon
19 request, provide a clear and legible copy of the image to the
20 appropriate law enforcement official.

21 (c) If the appropriate law enforcement agency supplies the
22 appropriate software and the pawnbroker presently has the
23 computer ability, pawn transactions shall be electronically
24 transferred. If a pawnbroker does not presently have the
25 computer ability, the appropriate law enforcement agency may
26 provide the pawnbroker with a computer and all necessary
27 equipment for the purpose of electronically transferring pawn
28 transaction forms. The appropriate law enforcement agency shall
29 retain ownership of the computer, unless otherwise agreed upon.
30 Notwithstanding ordinary wear and tear, the pawnbroker shall

1 maintain the computer in good working order.

2 (d) A pawnbroker may transfer pawnbroker transaction forms
3 electronically to the appropriate law enforcement official. If
4 the pawnbroker elects to do so, the pawnbroker shall not be
5 required to deliver the original of the pawnbroker transaction
6 forms to the appropriate law enforcement official under
7 subsection (a) (1), but must retain the original form for a
8 period of at least one year from the date of the transaction.
9 The appropriate law enforcement official may, for the purposes
10 of a criminal investigation, request that the pawnbroker produce
11 the original of a transaction form that has been electronically
12 transferred. The pawnbroker shall deliver the form to the
13 appropriate law enforcement official within twenty-four (24)
14 hours of the request.

15 (e) All goods delivered to a pawnbroker in a pawn or
16 purchase transaction shall be securely stored and maintained in
17 an unaltered condition within the jurisdiction of the
18 appropriate law enforcement official for a period of thirty (30)
19 calendar days after the transaction. The goods delivered to a
20 pawnbroker in a purchase transaction shall not be sold or
21 otherwise disposed of before the expiration of such period. The
22 pawnbroker shall make all pledged and purchased goods and all
23 records relating to such goods available for inspection by the
24 appropriate law enforcement official during normal business
25 hours throughout such period. The pawnbroker may relinquish the
26 goods before the end of such period if the pledged goods are
27 redeemed by the pledgor or the pledgor's authorized
28 representative.

29 Section 29.3. Pledged Goods Not Redeemed.--Pledged goods not
30 redeemed by the pledgor on or before the maturity date of a pawn

1 shall be held by the pawnbroker for at least thirty (30) days
2 after the date until the next business day. Pledged goods not
3 redeemed within the period following the maturity date of a pawn
4 are automatically forfeited to the pawnbroker and absolute
5 right, title and interest in the goods shall vest and be deemed
6 conveyed to the pawnbroker by operation of law and no further
7 notice shall be necessary. A pledgor has no obligation to redeem
8 pledged goods or make any payment on a pawn.

9 Section 29.4. Pawn Service Charges.--(a) In a pawn
10 transaction, a pawnbroker may contract for and receive a pawn
11 service charge, including an interest component. The interest
12 component of the pawn service charge shall be deemed to be two
13 per cent (2%) of the amount financed for each thirty (30) day
14 period in a pawn transaction. The pawnbroker may charge any
15 amount of pawn service charge, so long as the total amount,
16 inclusive of the interest component, does not exceed twenty-five
17 per cent (25%) of the amount financed for the thirty (30) day
18 period in a pawn transaction, except that the pawnbroker is
19 entitled to receive a minimum pawn service charge of five
20 dollars (\$5) for such thirty (30) day period.

21 (b) The default date of any pawn may be extended to a
22 subsequent date by mutual agreement between the pledgor and the
23 pawnbroker, except the pawnbroker shall not impose a minimum
24 duration of more than thirty (30) days. The new default date
25 shall be evidenced by a written memorandum, a copy of which
26 shall be supplied to the pledgor. The written memorandum shall
27 clearly specify the new default date and the pawn service
28 charges owed on the new default date. The daily pawn service
29 charge for the extension shall be eight per cent (8%) of the
30 original total pawn service charge. There shall be no limit on

1 the number of extensions that the parties may agree to.

2 (c) The total amount of pawn service charges that a
3 pawnbroker may collect in the case of pledged goods redeemed at
4 any time within thirty (30) days after the date of the pawn
5 shall be the amount provided in subsection (a). The total amount
6 of pawn service charges that a pawnbroker may collect in the
7 case of redemptions occurring at any time after thirty (30) days
8 from the date of the pawn is twice the amount provided in
9 subsection (a). For redemptions occurring more than sixty (60)
10 days after the date of the pawn, pawn service charges shall
11 continue to accrue after the sixty (60) day period at the daily
12 rate as provided in subsection (b). Any unused pawn service
13 charge paid in advance by the pledgor shall be refunded by the
14 pawnbroker.

15 (d) Pledged goods may be redeemed by mail by agreement
16 between the pledgor and the pawnbroker. The pledgor shall pay in
17 advance all moneys due and a reasonable charge assessed by the
18 pawnbroker to recover its cost and expenses involved in the
19 packaging, insuring and shipping of the pledged goods. The
20 pawnbroker shall insure the pledged goods in an amount
21 acceptable to the pledgor. The pawnbroker's liability for loss
22 or damage in connection with the shipment of such pledged goods
23 is limited to the amount of the insurance coverage obtained.

24 (e) Any interest, charge or fees contracted for or received,
25 directly or indirectly, in excess of the amounts authorized
26 under this section shall be prohibited. The amounts in excess
27 shall not be collected and shall render the pawn transaction
28 voidable. Any pawnbroker who violates this subsection shall:

29 (1) forfeit the right to collect twice the amount of the
30 pawn service charge contracted for in the pawn; and

1 (2) upon the pledgor's written request received by the
2 pawnbroker within thirty (30) days after the maturity date, be
3 obligated to return to the pledgor the pledged goods delivered
4 to the pawnbroker in connection with the pawn upon payment of
5 the balance remaining due.

6 There shall not be a penalty for an accidental and bona fide
7 error that is corrected upon discovery. Any action to circumvent
8 the limitation on pawn service charges collectible under this
9 section is voidable. If the pledgor makes a partial payment on a
10 pawn that reduces the amount financed, any additional pawn
11 service charges shall be calculated on the remaining balance of
12 the original amount financed.

13 Section 29.5. Prohibited Acts.--(a) A pawnbroker, or an
14 employee or agent of a pawnbroker, shall not do any of the
15 following:

16 (1) Falsify or intentionally fail to make an entry of any
17 material matter in a pawnbroker transaction form.

18 (2) Refuse to allow the secretary, the appropriate law
19 enforcement official or any of their designated representatives
20 having jurisdiction, to inspect completed pawnbroker transaction
21 forms or pledged or purchased goods during the ordinary hours of
22 the pawnbroker's business or other time acceptable to both
23 parties. The appropriate law enforcement official shall disclose
24 to a claimant the name and address of the pawnbroker, the name
25 and address of the conveying customer and a description of
26 pawned, purchased or consigned goods that the claimant claims to
27 be misappropriated.

28 (3) Obliterate, discard or destroy a completed pawnbroker
29 transaction form before three years after the date of the
30 transaction.

- 1 (4) Accept a pledge or purchase property from an individual
2 under eighteen (18) years of age.
- 3 (5) Make any agreement requiring or allowing the personal
4 liability of a pledgor or the waiver of any of the provisions of
5 this section.
- 6 (6) Knowingly enter into a pawn or purchase transaction with
7 any person who is under the influence of alcohol or controlled
8 substances when such condition is apparent or with any person
9 using the name of another or the registered name of another's
10 business.
- 11 (7) Conduct any pawn or purchase transaction at a drive-
12 through window or similar device in which the customer remains
13 in a vehicle while conducting the transaction.
- 14 (8) Fail to return or replace pledged goods to a pledgor
15 upon payment of the full amount due the pawnbroker, unless the
16 pledged goods have been placed under a hold order or taken into
17 custody by a court or otherwise disposed of by court order.
- 18 (9) Sell or otherwise charge for insurance in connection
19 with a pawn transaction, except in connection with the shipment
20 of pledged goods redeemed by mail.
- 21 (10) Engage in title loan transactions.
- 22 (11) Lease pledged goods to the pledgor or any other party.
- 23 (12) Operate a pawnshop between the hours of ten o'clock at
24 night and nine o'clock in the morning.
- 25 (13) Knowingly hire anyone to work in a pawnshop who has
26 been convicted of, entered a plea of guilty or nolo contendere
27 to or had adjudication withheld for a felony or a crime
28 involving theft, larceny, dealing in stolen property, receiving
29 stolen property, burglary, embezzlement, obtaining property by
30 false pretenses, possession of altered property or any

1 fraudulent or dishonest dealing within the last five (5) years.

2 (14) Knowingly accept or receive misappropriated property
3 from a conveying customer in a pawn or purchase transaction.

4 (15) Knowingly violate any provision of section 29.4, 29.6,
5 29.7, 29.8 or 29.9.

6 (b) A violation of this section shall constitute an unfair
7 or deceptive act or practice under the act of December 17, 1968
8 (P.L.1224, No.387), known as the "Unfair Trade Practices and
9 Consumer Protection Law," and shall be subject to the right of
10 the attorney to bring an action to seek appropriate relief as
11 provided by that act.

12 Section 29.6. Right to Redeem; Lost Transaction Form.--(a)
13 Only a pledgor or a pledgor's authorized representative shall be
14 entitled to redeem the pledged goods described in the pawnbroker
15 transaction form. If the pawnbroker determines that the person
16 is not the original pledgor or the pledgor's authorized
17 representative, the pawnbroker shall not be required to allow
18 the redemption of the pledged goods by such person. The person
19 redeeming the pledged goods shall sign the pledgor's copy of the
20 pawnbroker transaction form, which the pawnbroker may retain as
21 evidence of the person's receipt of the pledged goods. If the
22 person redeeming the pledged goods is the pledgor's authorized
23 representative, the person shall present notarized authorization
24 from the original pledgor and show identification to the
25 pawnbroker. The pawnbroker shall record the person's name and
26 address on the pawnbroker transaction form retained by the
27 pawnshop. It is the pawnbroker's responsibility to verify that
28 the person redeeming the pledged goods is either the pledgor or
29 the pledgor's authorized representative.

30 (b) If a pledgor's copy of the pawnbroker transaction form

1 is lost, destroyed or stolen, the pledgor shall notify the
2 pawnbroker in writing by certified or registered mail, return
3 receipt requested or in person evidenced by a signed receipt,
4 and receipt of this notice invalidates the pawnbroker
5 transaction form if the pledged goods have not previously been
6 redeemed. Before delivering the pledged goods or issuing a new
7 pawnbroker transaction form, the pawnbroker shall require the
8 pledgor to make a written statement of the loss, destruction or
9 theft of the pledgor's copy of the pawnbroker transaction form.
10 The pawnbroker shall record on the written statement the type of
11 identification and the identification number accepted from the
12 pledgor, the date the statement is given and the number of the
13 pawnbroker transaction form that was lost, destroyed or stolen.
14 The statement shall be signed by the pawnbroker or the pawnshop
15 employee who accepts the statement from the pledgor.

16 (c) A pawnbroker is entitled to a fee not to exceed two
17 dollars (\$2) in connection with each lost, destroyed or stolen
18 pawnbroker transaction form and the taking of a properly
19 prepared written statement. Sales tax shall not be due or
20 collectible in connection with the redemption of pledged goods.

21 (d) If pledged goods are lost or damaged while in the
22 possession of the pawnbroker, the pawnbroker may satisfy the
23 pledgor's claim by replacing the lost or damaged goods with like
24 kinds of merchandise of equal value with which the pledgor can
25 reasonably replace the goods. Such replacement is a defense to
26 any civil action based upon the loss or damage of the goods.

27 Section 29.7. Pawnbroker's Lien.--A pawnbroker shall have a
28 possessory lien on the pledged goods pawned as security for the
29 funds advanced, the pawn service charge owed and the other
30 charges authorized under this section, but not for other debts

1 due to the pawnbroker. A pawnbroker shall not have recourse
2 against a pledgor for payment on a pawn transaction except for
3 the pledged goods themselves. Except as otherwise provided in
4 this section, the pawnbroker shall retain possession of the
5 pledged goods until the lien is satisfied or until the default
6 date. The pawnbroker may be compelled to relinquish possession
7 of the pledged goods only after receipt of the applicable funds
8 advanced plus the accrued service charge and other authorized
9 charges, upon court order or as otherwise provided by law.

10 Section 29.8. Claims Against Purchased Goods or Pledged
11 Goods Held by Pawnbrokers.--(a) To obtain possession of
12 purchased or pledged goods held by a pawnbroker which a claimant
13 claims to be misappropriated, the claimant shall notify the
14 pawnbroker by certified mail, return receipt requested or in
15 person evidenced by signed receipt of the claimant's claim to
16 the purchased or pledged goods. The notice shall contain a
17 complete and accurate description of the purchased or pledged
18 goods and shall be accompanied by a legible copy of the
19 applicable law enforcement agency's report on the
20 misappropriation of such property. If the claimant and the
21 pawnbroker fail to resolve the matter within ten (10) days after
22 the pawnbroker's receipt of the notice, the claimant may
23 petition the court to order the return of the property, naming
24 the pawnbroker as a defendant, and shall serve the pawnbroker
25 with a copy of the petition. The pawnbroker shall hold the
26 property described in the petition until the right to possession
27 is resolved by the parties or by a court of competent
28 jurisdiction. The court shall waive any filing fee for the
29 petition to recover the property and the sheriff shall waive the
30 service fees.

1 (b) If, after notice and a hearing, the court finds that the
2 property was misappropriated and orders the return of the
3 property to the claimant, all of the following applies:

4 (1) The claimant may recover from the pawnbroker the costs
5 of the action, including the claimant's reasonable attorney
6 fees.

7 (2) If the conveying customer is convicted of theft or
8 dealing in stolen property relating to this misappropriation,
9 the court shall order the conveying customer to repay the
10 pawnbroker the full amount the conveying customer received from
11 the pawnbroker for the property, plus all applicable pawn
12 service charges. As used in this paragraph, the term "convicted
13 of" includes a plea of nolo contendere to the charges or any
14 agreement in which adjudication is withheld.

15 (3) The conveying customer shall be responsible to pay all
16 attorney fees and taxable costs incurred by the pawnbroker.

17 (c) The sale, pledge or delivery of tangible personal
18 property to a pawnbroker by any person in this Commonwealth
19 shall be considered to be all of the following:

20 (1) An agreement by the person who sells, pledges or
21 delivers the tangible personal property that the person is
22 subject to the jurisdiction of the court in all civil actions
23 and proceedings arising out of the pledge or sale transaction
24 filed by either a resident or nonresident plaintiff.

25 (2) An agreement by any nonresident that any process in any
26 suit so served has the same legal force and validity as if
27 personally served in this Commonwealth.

28 Section 29.9. Hold Orders.--(a) When the appropriate law
29 enforcement official has probable cause to believe that property
30 in the possession of a pawnbroker is misappropriated, the

1 official may place a written hold order on the property. The
2 written hold order shall impose a holding period not to exceed
3 ninety (90) days unless extended by court order. The appropriate
4 law enforcement official may rescind, in writing, any hold
5 order. The appropriate law enforcement official may place only
6 one hold order on property.

7 (b) Upon the expiration of the holding period, the
8 pawnbroker shall notify, in writing, the appropriate law
9 enforcement official by certified mail, return receipt
10 requested, that the holding period has expired. If ten (10) days
11 after the written notice has been received by the appropriate
12 law enforcement official, the pawnbroker has not received from a
13 court an extension of the hold order on the property and the
14 property is not the subject of a proceeding for relating to
15 misappropriation, title to the property shall vest in and be
16 deemed conveyed by operation of law to the pawnbroker, free of
17 any liability for claims but subject to any restrictions
18 contained in the pawn transaction contract and subject to the
19 provisions of this section.

20 (c) A hold order shall specify all of the following:

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

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

25 (3) If applicable, the name and address of the appropriate
26 law enforcement official or court to which such representative
27 is attached and the number, if any, assigned to the claim
28 regarding the property.

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

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

3 (6) The mailing address of the pawnbroker where the property
4 is held.

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

6 (d) The pawnbroker or the pawnbroker's representative shall
7 sign and date a copy of the hold order as evidence of receipt of
8 the hold order and the beginning of the ninety (90) day holding
9 period.

10 (e) Except as provided under subsection (f), a pawnbroker
11 shall not release or dispose of property subject to a hold order
12 except pursuant to a court order, a written release from the
13 appropriate law enforcement official or the expiration of the
14 holding period of the hold order.

15 (f) While a hold order is in effect, the pawnbroker shall
16 upon request release the property subject to the hold order to
17 the custody of the appropriate law enforcement official for use
18 in a criminal investigation. The release of the property to the
19 custody of the appropriate law enforcement official shall not be
20 considered a waiver or release of the pawnbroker's property
21 rights or interest in the property. Upon completion of the
22 criminal proceeding, the property shall be returned to the
23 pawnbroker unless the court orders other disposition. When such
24 other disposition is ordered, the court shall additionally order
25 the conveying customer to pay restitution to the pawnbroker in
26 the amount received by the conveying customer for the property
27 together with reasonable attorney's fees and costs.

28 Section 14. This act shall take effect in 60 days.