
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 865 Session of
2015

INTRODUCED BY HARHAI, THOMAS, HEFFLEY, V. BROWN, O'BRIEN,
DAWKINS, DeLUCA, KIRKLAND, COHEN, McNEILL, MURT AND MAHONEY,
APRIL 1, 2015

REFERRED TO COMMITTEE ON JUDICIARY, APRIL 1, 2015

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 loss of ticket,
11 seizure of ticket or of property offered as pledge, to
12 altered ticket, to counterfeit ticket, to payment or renewal
13 and to pawnbroker's lien on pledge; further providing for
14 pawnbroker's lien on pledge and for sale of pledge; repealing
15 provisions relating to business hours and business with
16 minors; and providing for pawnbroker transaction form, for
17 recordkeeping and storage, for pledged goods not redeemed,
18 for pawn service charges, for prohibited acts, for right to
19 redeem and lost transaction form, for pawnbroker's lien, for
20 claims against purchased goods or pledged goods held by
21 pawnbrokers and for 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),
27 is amended to read:

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

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

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

15 "Pledger" means 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.

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

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

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

29 "Applicant" means any individual, partnership, association,
30 business corporation, nonprofit corporation, common law trust,

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

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

9 "Amount financed." The amount of money loaned or principal
10 amount.

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

20 "Appropriate law enforcement official." Includes the
21 following:

22 (1) the sheriff of the county in which a pawnshop is
23 located;

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

26 (3) the law enforcement official designated by the sheriff
27 or police chief if the official is employed by the county or
28 municipality; or

29 (4) the Pennsylvania State Police in the case of a pawnshop
30 located in a municipality which does not have a police

1 department and receives law enforcement services from the
2 Pennsylvania State Police.

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

6 "Claimant." A person who claims that his property was
7 misappropriated.

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

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

14 "Identification." A government-issued photographic
15 identification, an electronic image taken from a government-
16 issued photographic identification or a government-issued
17 nonphotographic identification.

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

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

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

22 "Pawn." Any loan of funds on the security of pledged goods
23 on condition that the pledged goods are left in the possession
24 of the pawnbroker for a specified time period and may be
25 redeemed by the pledgor on the terms and conditions contained in
26 this act.

27 "Pawn service charge." A charge investigating the title,
28 storage and insuring of the security, closing the transaction,
29 making daily reports to appropriate law enforcement officials,
30 expenses and losses and all other services.

1 "Pawnbroker." Includes any person who:

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

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

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

10 "Pawnbroker transaction form." The instrument on which a
11 pawnbroker records a pawn or purchase as provided in section
12 29.1.

13 "Pawning." The business of a pawnbroker as defined in
14 this act.

15 "Pawnshop." The location at which a pawnbroker conducts
16 business.

17 "Permitted vendor." Includes:

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

22 (2) a secondhand dealer who has represented in writing that
23 such dealer has complied with all applicable recordkeeping,
24 reporting and retention requirements pertaining to goods sold or
25 otherwise delivered to a pawnbroker.

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

30 "Pledge." An article or articles deposited with a pawnbroker

1 as security for a loan in the course of his business under this
2 act.

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

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

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

21 "Secretary of Banking" or "secretary" [includes] The
22 Secretary of Banking and Securities and includes a designee of
23 the [Secretary of Banking] secretary.

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

25 Section 3. License Required.--(a) No person, partnership,
26 association, business corporation, nonprofit corporation, common
27 law trust, joint-stock company or any group of individuals
28 however organized shall, on and after the effective date of this
29 act, engage or continue to engage in business as a pawnbroker in
30 this Commonwealth except as authorized by this act and without

1 first obtaining a license from the [Secretary of Banking]
2 secretary.

3 (b) No person shall engage in the business of pawnbroking in
4 this Commonwealth unless the person has a valid license issued
5 by the secretary. A separate license is required for each
6 pawnshop. The secretary shall issue a license for each pawnshop
7 which meets the requirements for licensure.

8 (c) A licensee who seeks to move a pawnshop to another
9 location in this Commonwealth shall give written notice to the
10 secretary and the appropriate law enforcement official at least
11 thirty (30) days before the move. The secretary shall amend the
12 license to indicate the new location.

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

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

21 (1) An application to transfer an existing license from one
22 person to another.

23 (2) An application for a license which has an owner or
24 principal that the secretary, in his discretion, determines is
25 substantially similar to the existing licensee.

26 The temporary license is effective until a permanent license is
27 issued or denied by the secretary.

28 (f) A person shall apply to the secretary for a new license
29 or for a temporary license upon any change, directly or
30 beneficially, in the ownership of any pawnshop. An application

1 for a license or an application to transfer an existing license
2 is not required upon any change, directly or beneficially, in
3 the ownership of a pawnshop if one or more holders of at least
4 ninety per cent (90%) of the outstanding equity interest of the
5 pawnshop before the change in ownership continue to hold at
6 least ninety per cent (90%) of the outstanding equity interest
7 after the change in ownership.

8 (g) Any person applying for or renewing a local occupational
9 license to engage in the business of pawnbroking shall obtain a
10 valid license to engage in the business of pawnbroking before
11 the local business tax receipt may be issued or reissued.

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

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

1 (b) Every applicant for a new license shall post, for a
2 period of at least thirty (30) days beginning with the day the
3 application is filed with the [Secretary of Banking] secretary,
4 in a conspicuous place on the outside of the premises or at the
5 proposed new location for which the licensee applies a notice of
6 the application in the form, of the size and containing
7 provisions as the [Secretary of Banking] secretary may require
8 by its regulations. Proof of the posting of the notice shall be
9 filed with the [Secretary of Banking] secretary.

10 (c) An applicant shall not be eligible for a license who,
11 within ten (10) years of receipt of the application by the
12 secretary:

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

15 (2) has been convicted or found guilty of or pled guilty or
16 nolo contendere to a crime of theft, larceny, dealing in stolen
17 property, receiving stolen property, burglary, embezzlement,
18 obtaining property by false pretenses, possession of altered
19 property or any other fraudulent or dishonest dealing within ten
20 (10) years;

21 (3) acts as a beneficial owner for someone who has been
22 convicted or found guilty of or pled guilty or nolo contendere
23 to a felony or a crime listed under paragraph (2).

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

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

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

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

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

19 (C) A minimum of twenty-five cents (\$.25) on loans of three
20 dollars and ninety-nine cents (\$3.99), or less, a minimum of
21 fifty cents (\$.50) on loans of more than three dollars and
22 ninety-nine cents (\$3.99) and not in excess of six dollars and
23 ninety-nine cents (\$6.99), a minimum of seventy-five cents
24 (\$.75) on loans of more than six dollars and ninety-nine cents
25 (\$6.99) and not in excess of nine dollars and ninety-nine cents
26 (\$9.99), and a minimum of one dollar (\$1.00) on loans in excess
27 of ten dollars (\$10) and not exceeding fourteen dollars and
28 ninety-nine cents (\$14.99), and a minimum of one dollar and
29 fifty cents (\$1.50) on loans in excess of fifteen dollars (\$15),
30 may be collected on any loan for interest and charges.

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

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

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

1 issued shall be retained by the pawnbroker for his record.]

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

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

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

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

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

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

4 Section 15. Negotiability of Ticket.--The pledger may by
5 delivery of the pawn ticket, assign all his right, title, and
6 interest in a pawn ticket and the pledge described therein.
7 Except as otherwise provided in this act, the person presenting
8 a pawn ticket to the pawnbroker shall be presumed to be the
9 pledger and shall be entitled to redeem the pledge, and the
10 pawnbroker shall deliver the pledge to the person presenting
11 such pawn ticket upon payment of principal, interest, and
12 charges on the loan and upon surrender of the pawn ticket.]

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

15 [Section 16. Loss of Ticket; Seizure of Ticket or of
16 Property Offered as Pledge.--Notice of a pawn ticket which has
17 been lost, destroyed or stolen shall be furnished to the
18 pawnbroker by the pledger in person or by registered mail. The
19 receipt of notice by registered mail of a lost, destroyed or
20 stolen ticket or the issuance of a stop ticket by the pawnbroker
21 after personal notice by the pledger of a lost, destroyed or
22 stolen ticket shall be treated by the pawnbroker as a stop
23 against the loan. The pawnbroker shall require the alleged
24 pledger to furnish an affidavit or written statement as to the
25 loss, destruction or theft of the pawn ticket. The pawnbroker,
26 upon receipt of such affidavit or written statement, shall
27 permit the pledger to redeem the loan or shall furnish the
28 pledger with a duplicate pawn ticket, and the pawnbroker shall
29 not be liable for any pledge released on such affidavit or
30 written statement, unless previous written notice by registered

1 mail of an adverse claim was received by the pawnbroker or a
2 stop ticket was issued by the pawnbroker.

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

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

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

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

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

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

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

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

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

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

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

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

28 Except as otherwise provided in this act, a pawnbroker shall
29 not be required by legal process, or otherwise, to deliver a
30 pledge without surrender of [the pawn ticket] an exact copy of

1 the completed pawnbroker transaction form unless the [pawn
2 ticket] pawnbroker transaction form has been impounded or its
3 negotiation enjoined by a court of competent jurisdiction.

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

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

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

20 An unredeemed pledge shall be sold within twelve months of
21 the due date of a loan. No interest or charges permitted under
22 this act may be collected on a loan after the expiration of
23 twelve months of the due date of a loan, whether the loan is
24 renewed, or the loan is paid and the pledge redeemed. Where the
25 pawnbroker has failed to sell the pledge within six months of
26 the due date of the loan, no such interest or charges may be
27 computed for the period after six months of the due date of a
28 loan in determining the surplus due the pledger if a pledge is
29 sold subsequent to six months after the due date of a loan.]

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

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

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

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

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

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

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

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

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

29 (i) Brand name.

30 (ii) Model number.

- 1 (iii) Manufacturer's serial number.
2 (iv) Size.
3 (v) Color, as apparent to the untrained eye.
4 (vi) Precious metal type, weight and content, if known.
5 (vii) Gemstone description, including the number of stones.
6 (viii) In the case of firearms, the type of action, caliber
7 or gauge, number of barrels, barrel length and finish.
8 (ix) Any other unique identifying marks, numbers, names or
9 letters.

10 Notwithstanding subparagraphs (ii), (iii) and (vii), a pawn or
11 purchase of items of a similar nature delivered together in one
12 transaction which do not bear serial or model numbers or do not
13 include precious metal or gemstones, such as musical or video
14 recordings, books or hand tools, shall not require more than the
15 amount of items and a description of the type of items
16 delivered.

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

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

21 (5) The type of identification accepted from the pledgor or
22 seller, including the issuing agency and the identification
23 number.

24 (c) The front or back of the pawnbroker transaction form for
25 a pawn or purchase shall include all of the following:

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

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

30 (3) The default date of the pawn and the amount due on the

1 default date.

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

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

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

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

12 (8) A statement that the pledgor or seller of the item
13 represents and warrants that it is not stolen, that it has no
14 liens or encumbrances against it and that the pledgor or seller
15 is the rightful owner of the goods and has the right to enter
16 into the transaction.

17 (d) The front of the pawnbroker transaction form for a pawn
18 shall include a statement of all of the following:

19 (1) Any personal property pledged to a pawnbroker within
20 this Commonwealth which is not redeemed within thirty (30) days
21 after the maturity date of the pawn shall be automatically
22 forfeited to the pawnbroker on the next business day after the
23 thirty (30) day period, and absolute right, title and interest
24 in the property vests and is deemed conveyed to the pawnbroker
25 by operation of law and no further notice is necessary.

26 (2) The pledgor is not obligated to redeem the pledged
27 goods.

28 (3) If the pawnbroker transaction form is lost, destroyed or
29 stolen, the pledgor shall immediately advise the issuing
30 pawnbroker in writing by certified or registered mail, return

1 receipt requested or in person evidenced by a signed receipt.

2 (4) A pawn may be extended upon mutual agreement of the
3 parties.

4 (e) A pawnbroker transaction form shall provide a space for
5 the imprint of the right thumbprint of the pledgor or seller and
6 a blank line for the signature of the pledgor or seller.

7 (f) At the time of the pawn or purchase transaction, the
8 pawnbroker shall obtain a right thumbprint and signature of the
9 pledgor or seller on the correct space and line of the
10 pawnbroker transaction form and shall deliver to the pledgor or
11 seller an exact copy of the completed pawnbroker transaction
12 form.

13 (g) Any person who knowingly provides false verification of
14 ownership or identification to a pawnbroker in the course of
15 pawn or purchase and receives compensation in exchange for
16 personal property commits:

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

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

21 Section 29.2. Recordkeeping and Storage.--(a) (1) Before
22 the end of each business day, a pawnbroker shall deliver, unless
23 subsection (d) applies, the original pawnbroker transaction form
24 to the appropriate law enforcement official for each transaction
25 during the previous business day, unless other arrangements have
26 been agreed upon between the pawnbroker and the appropriate law
27 enforcement official.

28 (2) A pawnbroker shall maintain the original or a copy of
29 each completed pawnbroker transaction form on the pawnshop
30 premises for at least one year after the date of the

1 transaction.

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

6 (b) When an electronic image of a pledgor or seller
7 identification is accepted for a transaction, the pawnbroker
8 shall maintain the electronic image in order to meet the same
9 recordkeeping requirements as for the original transaction form.
10 If a criminal investigation occurs, the pawnbroker shall, upon
11 request, provide a clear and legible copy of the image to the
12 appropriate law enforcement official.

13 (c) If the appropriate law enforcement agency supplies the
14 appropriate software and the pawnbroker presently has the
15 computer ability, pawn transactions shall be electronically
16 transferred. If a pawnbroker does not presently have the
17 computer ability, the appropriate law enforcement agency may
18 provide the pawnbroker with a computer and all necessary
19 equipment for the purpose of electronically transferring pawn
20 transaction forms. The appropriate law enforcement agency shall
21 retain ownership of the computer, unless otherwise agreed upon.
22 Notwithstanding ordinary wear and tear, the pawnbroker shall
23 maintain the computer in good working order.

24 (d) A pawnbroker may transfer pawnbroker transaction forms
25 electronically to the appropriate law enforcement official. If
26 the pawnbroker elects to do so, the pawnbroker shall not be
27 required to deliver the original of the pawnbroker transaction
28 forms to the appropriate law enforcement official under
29 subsection (a) (1), but must retain the original form for a
30 period of at least one year from the date of the transaction.

1 The appropriate law enforcement official may, for the purposes
2 of a criminal investigation, request that the pawnbroker produce
3 the original of a transaction form that has been electronically
4 transferred. The pawnbroker shall deliver the form to the
5 appropriate law enforcement official within twenty-four (24)
6 hours of the request.

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

21 Section 29.3. Pledged Goods Not Redeemed.--Pledged goods not
22 redeemed by the pledgor on or before the maturity date of a pawn
23 shall be held by the pawnbroker for at least thirty (30) days
24 after the date until the next business day. Pledged goods not
25 redeemed within the period following the maturity date of a pawn
26 are automatically forfeited to the pawnbroker and absolute
27 right, title and interest in the goods shall vest and be deemed
28 conveyed to the pawnbroker by operation of law and no further
29 notice shall be necessary. A pledgor has no obligation to redeem
30 pledged goods or make any payment on a pawn.

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

13 (b) The default date of any pawn may be extended to a
14 subsequent date by mutual agreement between the pledgor and the
15 pawnbroker, except the pawnbroker shall not impose a minimum
16 duration of more than thirty (30) days. The new default date
17 shall be evidenced by a written memorandum, a copy of which
18 shall be supplied to the pledgor. The written memorandum shall
19 clearly specify the new default date and the pawn service
20 charges owed on the new default date. The daily pawn service
21 charge for the extension shall be eight per cent (8%) of the
22 original total pawn service charge. There shall be no limit on
23 the number of extensions that the parties may agree to.

24 (c) The total amount of pawn service charges that a
25 pawnbroker may collect in the case of pledged goods redeemed at
26 any time within thirty (30) days after the date of the pawn
27 shall be the amount provided in subsection (a). The total amount
28 of pawn service charges that a pawnbroker may collect in the
29 case of redemptions occurring at any time after thirty (30) days
30 from the date of the pawn is twice the amount provided in

1 subsection (a). For redemptions occurring more than sixty (60)
2 days after the date of the pawn, pawn service charges shall
3 continue to accrue after the sixty (60) day period at the daily
4 rate as provided in subsection (b). Any unused pawn service
5 charge paid in advance by the pledgor shall be refunded by the
6 pawnbroker.

7 (d) Pledged goods may be redeemed by mail by agreement
8 between the pledgor and the pawnbroker. The pledgor shall pay in
9 advance all moneys due and a reasonable charge assessed by the
10 pawnbroker to recover its cost and expenses involved in the
11 packaging, insuring and shipping of the pledged goods. The
12 pawnbroker shall insure the pledged goods in an amount
13 acceptable to the pledgor. The pawnbroker's liability for loss
14 or damage in connection with the shipment of such pledged goods
15 is limited to the amount of the insurance coverage obtained.

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

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

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

28 There shall not be a penalty for an accidental and bona fide
29 error that is corrected upon discovery. Any action to circumvent
30 the limitation on pawn service charges collectible under this

1 section is voidable. If the pledgor makes a partial payment on a
2 pawn that reduces the amount financed, any additional pawn
3 service charges shall be calculated on the remaining balance of
4 the original amount financed.

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

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

10 (2) Refuse to allow the secretary, the appropriate law
11 enforcement official or any of their designated representatives
12 having jurisdiction, to inspect completed pawnbroker transaction
13 forms or pledged or purchased goods during the ordinary hours of
14 the pawnbroker's business or other time acceptable to both
15 parties. The appropriate law enforcement official shall disclose
16 to a claimant the name and address of the pawnbroker, the name
17 and address of the conveying customer and a description of
18 pawned, purchased or consigned goods that the claimant claims to
19 be misappropriated.

20 (3) Obliterate, discard or destroy a completed pawnbroker
21 transaction form before three years after the date of the
22 transaction.

23 (4) Accept a pledge or purchase property from an individual
24 under eighteen (18) years of age.

25 (5) Make any agreement requiring or allowing the personal
26 liability of a pledgor or the waiver of any of the provisions of
27 this section.

28 (6) Knowingly enter into a pawn or purchase transaction with
29 any person who is under the influence of alcohol or controlled
30 substances when such condition is apparent or with any person

1 using the name of another or the registered name of another's
2 business.

3 (7) Conduct any pawn or purchase transaction at a drive-
4 through window or similar device in which the customer remains
5 in a vehicle while conducting the transaction.

6 (8) Fail to return or replace pledged goods to a pledgor
7 upon payment of the full amount due the pawnbroker, unless the
8 pledged goods have been placed under a hold order or taken into
9 custody by a court or otherwise disposed of by court order.

10 (9) Sell or otherwise charge for insurance in connection
11 with a pawn transaction, except in connection with the shipment
12 of pledged goods redeemed by mail.

13 (10) Engage in title loan transactions.

14 (11) Lease pledged goods to the pledgor or any other party.

15 (12) Operate a pawnshop between the hours of ten o'clock at
16 night and nine o'clock in the morning.

17 (13) Knowingly hire anyone to work in a pawnshop who has
18 been convicted of, entered a plea of guilty or nolo contendere
19 to or had adjudication withheld for a felony or a crime
20 involving theft, larceny, dealing in stolen property, receiving
21 stolen property, burglary, embezzlement, obtaining property by
22 false pretenses, possession of altered property or any
23 fraudulent or dishonest dealing within the last five (5) years.

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

26 (15) Knowingly violate any provision of section 29.4, 29.6,
27 29.7, 29.8 or 29.9.

28 (b) A violation of this section shall constitute an unfair
29 or deceptive act or practice under the act of December 17, 1968
30 (P.L.1224, No.387), known as the "Unfair Trade Practices and

1 Consumer Protection Law," and shall be subject to the right of
2 the attorney to bring an action to seek appropriate relief as
3 provided by that act.

4 Section 29.6. Right to Redeem and Lost Transaction Form.--

5 (a) Only a pledgor or a pledgor's authorized representative
6 shall be entitled to redeem the pledged goods described in the
7 pawnbroker transaction form. If the pawnbroker determines that
8 the person is not the original pledgor or the pledgor's
9 authorized representative, the pawnbroker shall not be required
10 to allow the redemption of the pledged goods by such person. The
11 person redeeming the pledged goods shall sign the pledgor's copy
12 of the pawnbroker transaction form, which the pawnbroker may
13 retain as evidence of the person's receipt of the pledged goods.
14 If the person redeeming the pledged goods is the pledgor's
15 authorized representative, the person shall present notarized
16 authorization from the original pledgor and show identification
17 to the pawnbroker. The pawnbroker shall record the person's name
18 and address on the pawnbroker transaction form retained by the
19 pawnshop. It is the pawnbroker's responsibility to verify that
20 the person redeeming the pledged goods is either the pledgor or
21 the pledgor's authorized representative.

22 (b) If a pledgor's copy of the pawnbroker transaction form
23 is lost, destroyed or stolen, the pledgor shall notify the
24 pawnbroker in writing by certified or registered mail, return
25 receipt requested or in person evidenced by a signed receipt,
26 and receipt of this notice invalidates the pawnbroker
27 transaction form if the pledged goods have not previously been
28 redeemed. Before delivering the pledged goods or issuing a new
29 pawnbroker transaction form, the pawnbroker shall require the
30 pledgor to make a written statement of the loss, destruction or

1 theft of the pledgor's copy of the pawnbroker transaction form.
2 The pawnbroker shall record on the written statement the type of
3 identification and the identification number accepted from the
4 pledgor, the date the statement is given and the number of the
5 pawnbroker transaction form that was lost, destroyed or stolen.
6 The statement shall be signed by the pawnbroker or the pawnshop
7 employee who accepts the statement from the pledgor.

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

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

19 Section 29.7. Pawnbroker's Lien.--A pawnbroker shall have a
20 possessory lien on the pledged goods pawned as security for the
21 funds advanced, the pawn service charge owed and the other
22 charges authorized under this section, but not for other debts
23 due to the pawnbroker. A pawnbroker shall not have recourse
24 against a pledgor for payment on a pawn transaction except for
25 the pledged goods themselves. Except as otherwise provided in
26 this section, the pawnbroker shall retain possession of the
27 pledged goods until the lien is satisfied or until the default
28 date. The pawnbroker may be compelled to relinquish possession
29 of the pledged goods only after receipt of the applicable funds
30 advanced plus the accrued service charge and other authorized

1 charges, upon court order or as otherwise provided by law.

2 Section 29.8. Claims Against Purchased Goods or Pledged

3 Goods Held by Pawnbrokers.--(a) To obtain possession of

4 purchased or pledged goods held by a pawnbroker which a claimant

5 claims to be misappropriated, the claimant shall notify the

6 pawnbroker by certified mail, return receipt requested or in

7 person evidenced by signed receipt of the claimant's claim to

8 the purchased or pledged goods. The notice shall contain a

9 complete and accurate description of the purchased or pledged

10 goods and shall be accompanied by a legible copy of the

11 applicable law enforcement agency's report on the

12 misappropriation of such property. If the claimant and the

13 pawnbroker fail to resolve the matter within ten (10) days after

14 the pawnbroker's receipt of the notice, the claimant may

15 petition the court to order the return of the property, naming

16 the pawnbroker as a defendant, and shall serve the pawnbroker

17 with a copy of the petition. The pawnbroker shall hold the

18 property described in the petition until the right to possession

19 is resolved by the parties or by a court of competent

20 jurisdiction. The court shall waive any filing fee for the

21 petition to recover the property and the sheriff shall waive the

22 service fees.

23 (b) If, after notice and a hearing, the court finds that the

24 property was misappropriated and orders the return of the

25 property to the claimant, all of the following apply:

26 (1) The claimant may recover from the pawnbroker the costs

27 of the action, including the claimant's reasonable attorney

28 fees.

29 (2) If the conveying customer is convicted of theft or

30 dealing in stolen property relating to this misappropriation,

1 the court shall order the conveying customer to repay the
2 pawnbroker the full amount the conveying customer received from
3 the pawnbroker for the property, plus all applicable pawn
4 service charges. As used in this paragraph, the term "convicted
5 of" includes a plea of nolo contendere to the charges or any
6 agreement in which adjudication is withheld.

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

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

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

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

20 Section 29.9. Hold Orders.--(a) When the appropriate law
21 enforcement official has probable cause to believe that property
22 in the possession of a pawnbroker is misappropriated, the
23 official may place a written hold order on the property. The
24 written hold order shall impose a holding period not to exceed
25 ninety (90) days unless extended by court order. The appropriate
26 law enforcement official may rescind, in writing, any hold
27 order. The appropriate law enforcement official may place only
28 one hold order on property.

29 (b) Upon the expiration of the holding period, the
30 pawnbroker shall notify, in writing, the appropriate law

1 enforcement official by certified mail, return receipt
2 requested, that the holding period has expired. If ten (10) days
3 after the written notice has been received by the appropriate
4 law enforcement official, the pawnbroker has not received from a
5 court an extension of the hold order on the property and the
6 property is not the subject of a proceeding for relating to
7 misappropriation, title to the property shall vest in and be
8 deemed conveyed by operation of law to the pawnbroker, free of
9 any liability for claims but subject to any restrictions
10 contained in the pawn transaction contract and subject to the
11 provisions of this section.

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

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

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

17 (3) If applicable, the name and address of the appropriate
18 law enforcement official or court to which such representative
19 is attached and the number, if any, assigned to the claim
20 regarding the property.

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

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

25 (6) The mailing address of the pawnbroker where the property
26 is held.

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

28 (d) The pawnbroker or the pawnbroker's representative shall
29 sign and date a copy of the hold order as evidence of receipt of
30 the hold order and the beginning of the ninety (90) day holding

1 period.

2 (e) Except as provided under subsection (f), a pawnbroker
3 shall not release or dispose of property subject to a hold order
4 except pursuant to a court order, a written release from the
5 appropriate law enforcement official or the expiration of the
6 holding period of the hold order.

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

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