

House Bill 4011

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Business and Labor)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that city or county may not require precious metal secondhand dealer that is also pawnbroker to provide photograph of item of precious metal acquired in transaction.

Permits pawnbroker to charge pledgor \$1 fee to renew placement of firearm with pawnbroker.

Changes required delivery method for notice that pledgor is at risk of forfeiting pledge that secures loan of \$1,500 or more from certified mail to regular mail. Requires pawnbroker to bear postal expenses for mailing notice.

Specifies that pledgor's grace period in which to redeem pledge or renew loan is 30 days after loan period expires or 30 days after mailing date of notice, whichever date is later.

Becomes operative July 1, 2014.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to pawnbrokers; creating new provisions; amending ORS 646A.066, 646A.067, 726.395 and
3 726.400; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 646A.066 is amended to read:

6 646A.066. (1) ORS 646A.064 [*to 646A.067*] **and 646A.065** do not apply within the jurisdiction of
7 any city or county that the Secretary of State has identified as having in effect an ordinance that
8 imposes on precious metal secondhand dealers:

9 (a) Substantially equivalent or more stringent record keeping requirements for transactions; and

10 (b) Equal or longer holding periods for items of precious metal that are acquired by precious
11 metal secondhand dealers through transactions.

12 (2) The secretary shall maintain on the secretary's website a list of cities and counties in which
13 ORS 646A.064 [*to 646A.067*] **and 646A.065** do not apply.

14 (3) Each city or county that has an ordinance in effect that the city or county determines is as
15 described in subsection (1) of this section shall notify the secretary in writing and shall include a
16 copy of the ordinance or an electronic link to the ordinance. If the city or county amends or repeals
17 the ordinance, the city or county shall notify the secretary of the amendment or repeal and, in the
18 case of an amendment, the city or county determination of whether the ordinance as amended still
19 is as described in subsection (1) of this section.

20 **SECTION 2.** ORS 646A.067 is amended to read:

21 646A.067. **Notwithstanding any other provision of ORS 646A.064 to 646A.067**, a city or
22 county in this state may not require a precious metal secondhand dealer in this state who is also
23 a pawnbroker licensed under ORS chapter 726 to provide a photograph of an item of precious metal
24 acquired through a transaction.

25 **SECTION 3.** ORS 726.395 is amended to read:

26 726.395. (1) A pawnbroker may charge a pledgor or customer a \$3 fee if the pledgor or customer

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 places a **firearm** with the pawnbroker [*firearms required to be registered under the laws of the United*
 2 *States*]. The pawnbroker may [*not charge this \$3*] **charge a \$1** fee to renew the pledgor's or
 3 customer's placement of the firearm with the pawnbroker.

4 (2) In addition to the [*fee*] **fees** described in subsection (1) of this section, a pawnbroker may
 5 charge a pledgor or customer any fee that a government entity imposes on the pawnbroker for
 6 holding or transferring a firearm.

7 **SECTION 4.** ORS 726.400 is amended to read:

8 726.400. (1) Unless a pledgor and a pawnbroker agree to a longer loan period and the longer
 9 loan period is written on the pawn ticket, a pledge loan [*shall*] **must** be made for a period of 60
 10 days. A pledge may be redeemed and the pledge loan repaid at any time before the loan period ex-
 11 pires. A pawn ticket must clearly state the expiration date of the loan.

12 (2) A pledgor and a pawnbroker may agree to renew a pledge loan for successive periods of 60
 13 days or longer. A loan is a renewal of the original loan if the pledgor pays only the interest and the
 14 fees on the loan or pays a portion of the principal, the interest and the fees on the loan and accepts
 15 another pledge loan from the pawnbroker on the same pledge on the same day.

16 (3) Except for a pledge that secures a pledge loan of \$500 or less, the pawnbroker may not deem
 17 a pledge to be forfeited until:

18 (a) The pawnbroker notifies the pledgor that the pledge is at risk of forfeiture after the period
 19 described in subsection (1) [*or (2)*] of this section expires; and

20 (b) The pledgor has had an opportunity to redeem the pledge as provided in this section.

21 (4) The notice described in subsection (3) of this section must be in writing and delivered
 22 postpaid in a securely closed envelope addressed to the pledgor at the last-known address shown on
 23 the pawnbroker's record by[.] **regular mail.**

24 [*(a) Regular mail, if the pledge secures a loan of more than \$500 but less than \$1,500; or]*

25 [*(b) Certified mail, return receipt requested, and regular mail, if the pledge secures a loan of \$1,500*
 26 *or more.*]

27 (5) Delivery of a notice under this section occurs when the notice is mailed as provided in this
 28 section. As evidence of the notification, the pawnbroker shall keep a copy of each notice the
 29 pawnbroker sends by regular [*or certified*] mail, together with the [*certified return receipt card or*
 30 *the*] returned envelope for the notice, for at least two years. The [*pledgor*] **pawnbroker** shall bear
 31 the postal costs [*and a reasonable charge for preparing a notice for delivery by certified mail*] **for the**
 32 **notice.**

33 (6) A pledgor has a grace period of 30 days after **the pledge loan period expires or 30 days**
 34 **after** the mailing date of the notice required [*by*] **under** this section, **whichever date is later**, in
 35 which to redeem the pledge or to renew the loan by paying any renewal fee and all the accrued
 36 interest and fees to date. There is no grace period after a renewal expires.

37 (7) A pledge **is forfeited if the pledge** [*that*] is not redeemed within **the renewal period, if any,**
 38 **or within 30 days after the loan period expires or 30 days after** the mailing date of a notice given
 39 under this section, **whichever date is later.** [*or within the renewal period, if any, is forfeited.*] The
 40 pawnbroker acquires the pledgor's title and interest in the forfeited pledge and the right to hold and
 41 dispose of the pledge as the pawnbroker's own property.

42 **SECTION 5.** (1) **The amendments to ORS 646A.066, 646A.067, 726.395 and 726.400 by**
 43 **sections 1 to 4 of this 2014 Act become operative July 1, 2014.**

44 (2) **The Director of the Department of Consumer and Business Services may take any**
 45 **action before the operative date specified in subsection (1) of this section that is necessary**

1 to enable the director to exercise, on and after the operative date specified in subsection (1)
2 of this section, all of the duties, functions and powers conferred on the director by the
3 amendments to ORS 726.395 and 726.400 by sections 3 and 4 of this 2014 Act.

4 SECTION 6. The amendments to ORS 646A.066 and 646A.067 by sections 1 and 2 of this
5 2014 Act apply to ordinances that a city or county has in effect before, on or after the op-
6 erative date specified in section 5 (1) of this 2014 Act.

7 SECTION 7. This 2014 Act being necessary for the immediate preservation of the public
8 peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect
9 on its passage.

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