

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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| <b>Action:</b>        | Do Pass as Amended and Be Printed Engrossed                        |
| <b>Vote:</b>          | 8 - 0 - 2  |
| <b>Yeas:</b>          | Barton, Fagan, Holvey, Kennemer, Thatcher, Thompson, Witt, Doherty |
| <b>Nays:</b>          | 0  |
| <b>Exc.:</b>          | Matthews, Weidner  |
| <b>Prepared By:</b>   | Jan Nordlund, Administrator  |
| <b>Meeting Dates:</b> | 2/11, 3/11   |

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**WHAT THE MEASURE DOES:** Allows boats, trailers, off-road vehicles, and farm equipment to be used as a pledge for a loan from a pawnbroker. Excludes intangible property from being used as a pledge.

**ISSUES DISCUSSED:**

- Rural pawnbrokers' ability to store off-road vehicles, trailers and boats
- Whether off-road vehicles must be registered with the Department of Transportation
- Whether provisions of measure could be accomplished through administrative rule
- Role of pawnbrokers as an alternative to traditional financial lenders
- Role of title lenders
- Ability of pawnbrokers to purchase goods

**EFFECT OF COMMITTEE AMENDMENT:** Clarifies types of vehicles that can be pledged. Requires pawnbroker to record notation that lien search was conducted. Provides that pawnbroker is not liable for refusing to deliver pledge when more than one person claims redemption right unless pawnbroker fails to verify whether pledge is subject to lien if pledge is for specified vehicles. Requires pawnbroker to hold specified pledged vehicles in gated, secured facility.

**BACKGROUND:** The Department of Consumer and Business Services regulates and licenses pawnbrokers. Pawnbrokers are required to create a record for each transaction that includes the date, the name and address of the pledgor, the type and number of any proof of identification presented by the pledgor, a physical description of the pledgor and an identifying description of the article pledged. Within three days, the pawnbroker must deliver a copy of the record to the local police agency. The purpose of the record keeping and reporting is to reduce the trafficking of stolen goods.

Under current law, a vehicle that must be registered with the Oregon Department of Transportation (ODOT) cannot be used as a pledge on a pawnbroker loan. House Bill 2066-A allows trailers, off-road vehicles, and farm equipment, regardless of whether they must be registered with ODOT, to be used as a pledge on a pawnbroker loan. Automobiles and motorcycles would still not be allowed to be used as a pledge.