

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	Baertschiger, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	George
Prepared By:	Channa Newell, Administrator
Meeting Dates:	5/17

WHAT THE MEASURE DOES: Allows boat, snowmobile, trailer, farm equipment, or all-terrain vehicle to be pledged for loan from pawnbroker. Requires pawnbroker record notation of lien search on pledges. Requires pawnbroker hold specified pledged vehicles in gated, secured facility. Provides that pawnbroker is not liable for refusing to deliver pledge when competing redemption rights claimed unless pawnbroker fails to verify whether pledge is subject to lien, if pledge is specified vehicle.

ISSUES DISCUSSED:

- Practice in some rural communities of storing certain vehicles with pawnbroker during winter
- Discovery that such practices were unlawful
- Collaboration with Department of Consumer and Business Services to reach solution

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department of Consumer and Business Services' Division of Finance and Corporate Securities regulates and licenses pawnbrokers. There are over 80 pawnbrokers licensed in the state of Oregon. Pawnbrokers are persons who lend money at an interest rate exceeding 10% and who take personal property as a pledge against the loan. Under current Oregon law, pawnbrokers may not accept any vehicle that must be registered with the Department of Transportation as a pledge against a loan.

House Bill 2066-A allows certain vehicles to be used as pledges even though they may require registration with the Department of Transportation, including boats, snowmobiles, trailers, farm equipment, and off-road vehicles but not including automobiles and motorcycles. The measure specifies that a pawnbroker who takes a vehicle pledge must secure the vehicle pledge in a gated, secured location, and is liable if the pledge is lost. The measure also requires pawnbrokers to keep records of lien searches on certain pledges.