

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	11 - 0 - 0
Yeas:	Barton, Fagan, Freeman, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/10, 2/12

WHAT THE MEASURE DOES: Clarifies that county or city may not require precious metal secondhand dealer, that is also licensed pawnbroker, to provide photograph of precious metal item acquired in pawn transaction. Permits pawnbroker to charge \$1 fee to renew placement of firearm. Changes delivery method of notice to pledgor, at risk of forfeiting pledge securing loan of at least \$1,500, to regular mail. Adds 30-day grace period to redeem or renew if loan is less than \$500. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Assertion that people ignore certified mail and are more likely to open regular mail
- 2012 legislation affecting precious metal secondhand dealers
- Value of photographs and written description of item being pawned
- Desire by some cities to require photograph of precious metal items being pawned or sold

EFFECT OF COMMITTEE AMENDMENT: Clarifies that county or city may not require precious metal secondhand dealer, that is also licensed pawnbroker, to provide photograph of precious metal item acquired in pawn transaction.

BACKGROUND: Pawnbrokers are regulated and licensed by the Department of Consumer and Business Services through ORS Chapter 726. A pawnbroker must keep a register of transactions that includes the name and address of the pledgor, an identifying description of the pledged item, amount of the loan, and other specified information. In addition to the register, a record of each transaction that includes a physical description of the pledgor and an identifying description of the item must be sent to the local police agency within three days of the transaction. This requirement has been in place since 1979. In 2012, House Bill 4108 placed restrictions and requirements on precious metal secondhand dealers. By definition, a pawnbroker who engages exclusively in pledge loans is not a precious metal secondhand dealer and thus not subject to the requirements and restrictions. House Bill 4108 also specifically prohibited cities and counties from requiring a precious metal secondhand dealer, who is also a licensed pawnbroker, to provide a photograph of a precious metal item acquired through a transaction. The 2012 measure did not specify the type of transaction; House Bill 4011-A specifies it is for pawn transactions.

Statutes limit the interest and fees that may be charged by pawnbrokers. Specific to firearms, a pawnbroker may charge \$3 for each firearm that is pledged to secure a loan. Current statute prohibits charging the \$3 fee when the loan is renewed. House Bill 4011-A allows a \$1 renewal fee on firearms.

When a pledge securing a loan of at least \$500 is at risk of forfeiture, a pawnbroker must first send notice. The notice must be sent by regular mail unless the loan exceeds \$1,500, in which case it must be sent by certified mail, return receipt requested, and regular mail. House Bill 4011-A allows the notice on the larger loans to be sent by regular mail. After the notice is mailed, the pledgor has a 30-day grace period to redeem the pledge or renew the loan. Currently, there is not a grace period after a renewal expires nor is there a grace period for loans smaller than \$500. House Bill 4011-A provides, for these smaller loans, a 30-day grace period after the loan expires in which the pledgor can redeem or renew.

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This summary has not been adopted or officially endorsed by action of the committee.