

**Enrolled**  
**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)

CHAPTER .....

AN ACT

Relating to pawnbrokers; creating new provisions; amending ORS 726.395 and 726.400; and declaring an emergency.

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

**SECTION 1.** ORS 726.395 is amended to read:

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

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

**SECTION 2.** ORS 726.400 is amended to read:

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

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

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

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

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

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

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

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

(5) Delivery of a notice under this section occurs when the notice is mailed as provided in this section. As evidence of the notification, the pawnbroker shall keep a copy of each notice the

pawnbroker sends by regular [or certified] mail, together with the [certified return receipt card or the] returned envelope for the notice, for at least two years. The [pledgor] pawnbroker shall bear the postal costs [and a reasonable charge for preparing a notice for delivery by certified mail] for the notice.

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

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

**SECTION 3.** (1) The amendments to ORS 726.395 and 726.400 by sections 1 and 2 of this 2014 Act become operative July 1, 2014.

(2) The Director of the Department of Consumer and Business Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the director to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the director by the amendments to ORS 726.395 and 726.400 by sections 1 and 2 of this 2014 Act.

**SECTION 4.** This 2014 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect on its passage.

Passed by House February 13, 2014

Received by Governor:

Repassed by House February 28, 2014

.....M.,....., 2014

Approved:

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Ramona J. Line, Chief Clerk of House

.....M.,....., 2014

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Tina Kotek, Speaker of House

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John Kitzhaber, Governor

Passed by Senate February 26, 2014

Filed in Office of Secretary of State:

.....M.,....., 2014

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Peter Courtney, President of Senate

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Kate Brown, Secretary of State