



Oregon Pawnbrokers Association Supports SB 1540

Chair Prozanski, Vice Chair Thatcher and Members of the Committee:

Thank you for the opportunity to testify in favor of SB 1540. SB 1540 would allocate critical funding to the Firearm Instant Checks System – the system which is used to provide background checks for firearm purchases. The Oregon Pawnbrokers Association (OPA) represents Oregon’s 83 locally-owned, licensed pawn shops. These heavily regulated businesses work closely with federal, state, and local government partners offering short term loans to help community members cover unexpected bills, offer safe and secure storage for things like jewelry and firearms, and sell items of value that could otherwise be disposed of. Pawnbrokers are also one of the few businesses that recycle or resell firearms through a federal and state regulated process.

Efficient and secure transfer of firearms is an important issue for many pawnbrokers. Efficiency is important for customers choosing to purchase firearms through heavily regulated businesses like pawnbrokers that do background checks. Inefficient transfers can disincentive using licensed business and lead to otherwise illegal or black-market firearm transfers. In addition, inefficient transfers discourage those that need safe, secure storage, and choose to store firearms in a pawnshop.

Altogether, pawnshops conduct hundreds of firearm transfers per month. As part of those transfers, pawnshops pay a fee to the Oregon State Police. But the regulation doesn’t stop there.

Pawnshops transferring firearms are also federally licensed by the ATF. Oregon and Federal law require that licensees must administer background checks prior to transferring firearms. This applies to firearms that are sold or that have been pawned and only held for storage. The ATF rules regarding background checks state that “if an answer is not received within three (3) days of the date of entry, the firearm can be returned to the Transferee. This puts licensees in the unenviable position to transfer a firearm which is allowed under federal law or wait an unknown amount of time for a state response.

Prior to 2020, most background checks were completed within 3 days. However, since then, the experience of many – if not most – licensed pawnbrokers is that background checks take 10-20 days. For some customers, those same background checks can take months or even over a year – often with no explanation to the applicant or the licensee. If pawnshops were to transfer firearms to a person that

is marked in the system as “pending” because of a delay in the background checks system, pawnshops could unfairly face legal consequences – even if the firearm was held for safe storage and does not belong to the pawnshop owner.

There is no question that the current system is broke. It’s broke for pawnbrokers, their customers, and the communities that rely on efficient and accurate background checks. Our pawnshops have long lists of customers who are currently delayed in receiving the firearm that they lawfully own because of the backlog in the OSP background checks system. While pawnshops agree that firearms should not be transferred to anyone not legally permitted to hold them, we need to fix the delays in this system immediately. Otherwise, these delays could create a deterrent to safely storing firearms in one of the few places that offer safe storage – pawnshops.

We support the swift passage and funding of SB 1540 and a continued commitment by the state and the legislature to ensure that the systems required by law meet Oregonians needs.

Thank you,

-Mike Freese & Danelle Romain, *Representing the Oregon Pawnbrokers Association (OPA)*

February 7, 2022