

1 HB488
2 138044-1
3 By Representative Treadaway
4 RFD: Financial Services
5 First Read: 06-MAR-12

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8 SYNOPSIS: Under existing law, there is no requirement
9 that a pledgor or seller present a personal
10 identification card to a pawnbroker prior to
11 engaging in a pawn transaction. Existing law does
12 not provide for acceptable forms of identification.
13 A pawnbroker must maintain a record of all pawn
14 transactions on the premises and make a record of
15 the transactions available to the appropriate law
16 enforcement agency.

17 This bill would provide a definition for
18 personal identification card and would require a
19 pawnbroker to make and retain a copy of the
20 personal identification card of a pledgor or seller
21 for each pawn transaction.

22 This bill would require a pawnbroker to
23 electronically submit a record of all pawn
24 transactions from the previous day to the
25 appropriate law enforcement agency by noon each day
26 or on the next business day after Saturdays,
27 Sundays, and state holidays.

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2 A BILL
3 TO BE ENTITLED
4 AN ACT
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6 To amend Sections 5-19A-2, 5-19A-3, and 5-19A-5,
7 Code of Alabama 1975, relating to pawnshops; to require a
8 pawnbroker to make and retain a copy of the personal
9 identification card of a pledgor or seller for each pawn
10 transaction; to provide a definition for personal
11 identification card; and to require a pawnbroker to
12 electronically submit a record of all pawn transactions to the
13 appropriate law enforcement agency.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Sections 5-19A-2, 5-19A-3, and 5-19A-5,
16 Code of Alabama 1975, are amended to read as follows:

17 "§5-19A-2.

18 "The following words and phrases shall have the
19 following meanings:

20 "(1) APPROPRIATE LAW ENFORCEMENT AGENCY. The sheriff
21 of each county in which the pawnbroker maintains an office, or
22 the police chief of the municipality in which the pawnbroker
23 maintains an office.

24 "(2) ATTORNEY GENERAL. The Attorney General of the
25 State of Alabama.

26 "(3) PAWN TRANSACTION. Any loan on the security of
27 pledged goods or any purchase of pledged goods on condition

1 that the pledged goods are left with the pawnbroker and may be
2 redeemed or repurchased by the seller for a fixed price within
3 a fixed period of time. A "pawn transaction" does not include
4 the pledge to, or the purchase by, a pawnbroker of real or
5 personal property from a customer followed by the sale or the
6 leasing of that property back to the customer in the same or a
7 related transaction.

8 "(4) PAWNBROKER. Any person engaged in the business
9 of lending money on the security of pledged goods left in
10 pawn, or in the business of purchasing tangible personal
11 property to be left in pawn on the condition that it may be
12 redeemed or repurchased by the seller for a fixed price within
13 a fixed period of time. Notwithstanding the foregoing, the
14 following are exempt from the definition of the term
15 "pawnbroker" and from this chapter: any bank which is
16 regulated by the State Banking Department of Alabama; the
17 Comptroller of the Currency of the United States; the Federal
18 Deposit Insurance Corporation; the Board of Governors of the
19 Federal Reserve System or any other federal or state
20 authority; and all affiliates thereof and any bank or savings
21 and loan association whose deposits or accounts are eligible
22 for insurance by the Bank Insurance Fund or the Savings
23 Association Insurance Fund or other fund administered by the
24 Federal Deposit Insurance Corporation all affiliates thereof,
25 any state or federally chartered credit union, and any finance
26 company subject to licensing and regulation by the State

1 Banking Department pursuant to Sections 5-19-1 to 5-19-19,
2 inclusive.

3 "(5) PERSON. An individual, partnership,
4 corporation, joint venture, trust, association, or any legal
5 entity.

6 "(6) PERSONAL IDENTIFICATION CARD. A driver's
7 license or identification card issued by the Department of
8 Public Safety or a similar card issued by another state, a
9 military identification card, a passport, or an appropriate
10 work authorization issued by the U.S. Citizenship and
11 Immigration Services of the Department of Homeland Security.

12 "~~(6)~~ (7) PLEDGED GOODS. Tangible personal property
13 other than choses in action, securities, or printed evidences
14 of indebtedness, which property is purchased by, deposited
15 with, or otherwise actually delivered into the possession of,
16 a pawnbroker in connection with a pawn transaction.

17 "~~(7)~~ (8) SUPERVISOR. The Supervisor of the Bureau of
18 Loans of the State Banking Department.

19 "§5-19A-3.

20 "At the time of making the pawn or purchase
21 transaction, the pawnbroker shall make and retain a copy of
22 the pledgor or seller's personal identification card and enter
23 on the pawn ticket a record of the following information which
24 shall be typed or written in ink and in the English language:

25 "(1) A clear and accurate description of the
26 property, including model and serial number if indicated on
27 the property.

1 "(2) The name, residence address, and date of birth
2 of the pledgor or seller.

3 "(3) Date of the pawn or purchase transaction.

4 "(4) Type of personal identification card and the
5 identification number accepted from pledgor or seller.

6 "(5) Description of the pledgor including
7 approximate height, sex, and race.

8 "(6) Amount of cash advanced.

9 "(7) The maturity date of the pawn transaction and
10 the amount due.

11 "(8) The monthly rate and pawn charges.

12 "§5-19A-5.

13 "(a) The pledgor or seller shall sign a statement
14 verifying that the pledgor or seller is the rightful owner of
15 the goods or is entitled to sell or pledge the goods and shall
16 receive an exact copy of the pawn ticket which shall be signed
17 or initialed by the pawnbroker or any employee of the
18 pawnbroker.

19 "(b) (1) The pawnbroker shall maintain a record of
20 all transactions of pledged or purchased goods on the
21 premises. A pawnbroker shall make available to the appropriate
22 law enforcement agency a record of the transactions. These
23 records shall be a correct copy of the entries made of the
24 pawn or purchase transaction, except as to the amount of cash
25 advanced or paid for the goods and the monthly pawnshop
26 charge.

1 "(2)a. Each pawnbroker shall electronically submit
2 to the appropriate law enforcement agency a record of all pawn
3 transactions from the previous day, excluding Saturdays,
4 Sundays, and state holidays. Any transactions recorded on
5 Friday, Saturday, Sunday, or a state holiday shall be
6 submitted on the following day that is not a Saturday, Sunday,
7 or state holiday. The method of electronic submission shall be
8 determined by the appropriate law enforcement agency.

9 "b. The municipal police chief of the municipality
10 may notify a pawnbroker to transmit the records to the
11 sheriff. The provision of this subdivision shall be operative
12 to a pawnbroker 45 days after the appropriate law enforcement
13 agency notifies the pawnbroker to commence submission.

14 "(c) All goods purchased by the pawnbroker except
15 for automobiles, trucks, and similar vehicles shall be
16 maintained on the premises by the pawnbroker for at least
17 fifteen business days before the goods may be offered for
18 resale. Automobiles, trucks, and similar vehicles shall be
19 maintained on the premises for 21 calendar days."

20 Section 2. This act shall become effective on the
21 first day of the third month following its passage and
22 approval by the Governor, or its otherwise becoming law.