

# AN ACT

To amend sections 4727.01 to 4727.06, 4727.08 to 4727.16, and 4727.99; to amend, for the purpose of adopting a new section number as indicated in parentheses, section 4727.16 (4727.21); and to enact new section 4727.16 and sections 4727.17 to 4727.20 of the Revised Code to revise the Pawnbroker Licensing Law.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 4727.01, 4727.02, 4727.03, 4727.04, 4727.05, 4727.06, 4727.08, 4727.09, 4727.10, 4727.11, 4727.12, 4727.13, 4727.14, 4727.15, 4727.16, and 4727.99 be amended, section 4727.16 (4727.21) be amended for the purpose of adopting a new section number as indicated in parentheses, and new section 4727.16 and sections 4727.17, 4727.18, 4727.19, and 4727.20 of the Revised Code be enacted to read as follows:

Sec. 4727.01. As used in ~~sections 4727.01 to 4727.16 of the Revised Code~~ this chapter:

(A) "Pawnbroker" means a person engaged in the business of lending money on deposit or pledges of personal property, other than securities, printed evidence of indebtedness, titles, deeds, or bills of sale, at a total charge, rate of interest, or discount or other remuneration in excess of eight per cent per annum, and includes a person engaged in the business of purchasing personal property from another person with an agreement that ~~the person~~ the personal property will be made available to that other person for repurchase within an agreed-to time period ~~two persons~~ and for an amount greater than the price ~~the person~~ originally paid to that other person for the purchase of the personal property.

(B) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code.

Sec. 4727.02. No person shall act as a pawnbroker, or advertise, transact, or solicit business as a pawnbroker, without first having obtained a license from the ~~division~~ superintendent of financial institutions ~~in the department of commerce~~.

Sec. 4727.03. (A) As used in this section, "experience and fitness in the capacity involved" means that the applicant for a pawnbroker's license demonstrates sufficient financial responsibility, reputation, and experience in the pawnbroker business, or in a related business, to act as a pawnbroker in compliance with ~~sections 4727.01 to 4727.16 of the Revised Code~~ this chapter. "Experience and fitness in the capacity involved" shall be determined by:

(1) Prior or current ownership or management of, or employment in, a pawnshop;

(2) Demonstration to the satisfaction of the superintendent of financial institutions of a thorough working knowledge of all pawnbroker laws and rules as they relate to the actual operation of a pawnshop;

A demonstration shall include a demonstration of an ability to properly complete forms, knowledge of how to properly calculate interest and storage charges, and knowledge of legal notice and forfeiture procedures. The final determination of whether an applicant's demonstration is adequate rests with the superintendent of financial institutions.

(3) A submission by the applicant and any stockholders, owners, managers, directors, or officers of the pawnshop, and employees of the applicant to a police record check; and

(4) Liquid assets in a minimum amount of ~~twenty-five~~ one hundred thousand dollars at the time of applying for initial licensure and demonstration of the ability to maintain the liquid assets at a minimum amount of ~~ten~~ fifty thousand dollars for the duration of holding a valid pawnbroker's license.

(B) ~~The division of financial institutions~~ superintendent may grant a license to act as a pawnbroker to any person of good character and having experience and fitness in the capacity involved to engage in the business of pawnbroking upon the payment to the ~~division~~ superintendent of a license fee determined by the superintendent pursuant to section 1321.20 of the Revised Code. A license is not transferable or assignable.

(C) The superintendent may consider an application withdrawn and may retain the investigation fee if both of the following are true:

(1) An application for a license does not contain all of the information required under division (B) of this section.

(2) The information is not submitted to the superintendent within ninety days after the superintendent requests the information from the applicant in writing.

(D) The ~~division~~ superintendent shall require an applicant for a pawnbroker's license to pay to ~~the superintendent~~ a nonrefundable initial

investigation fee of two hundred dollars, which is for the exclusive use of the state. The license shall be issued by the ~~division~~ superintendent and shall expire on the thirtieth day of June next following the date of its issuance. Fifty per cent of the annual license fee shall be for the use of the state, and fifty per cent shall be paid by the state to the municipal corporation, or if outside the limits of any municipal corporation, to the county, in which the office of the licensee is located. All such fees payable to municipal corporations or counties shall be paid annually.

(E) Every ~~such~~ pawnbroker's license shall be renewed annually by the thirtieth day of June according to the standard renewal procedure of Chapter 4745. of the Revised Code. The fee for renewal of a license shall be equivalent to the fee for an initial license established by the superintendent pursuant to section 1321.20 of the Revised Code. Any licensee who wishes to renew the ~~licensee's~~ pawnbroker's license but who fails to do so on or before the thirtieth day of June shall reapply for licensure in the same manner and pursuant to the same requirements as for initial licensure, unless the licensee pays to the ~~division~~ superintendent on or before the thirty-first day of August of the year the license expires, a late renewal penalty of one hundred dollars in addition to the regular renewal fee. Any ~~person~~ licensee who fails to renew the ~~person's~~ license on or before the thirtieth day of June is prohibited from acting as a pawnbroker until the ~~person's~~ license is renewed or a new license is issued under this section. Any ~~person~~ licensee who renews a license between the first day of July and the thirty-first day of August is not relieved from complying with this division. The ~~division~~ superintendent may refuse to issue to or renew the license of any ~~person~~ licensee who violates this division.

(F) No license shall be granted to any person not a resident of or the principal office of which is not located in the municipal corporation or county designated in such license unless ~~such~~ that applicant, in writing and in due form approved by and filed with the ~~division~~ superintendent, first appoints an agent, a resident of the state, and city or county where the office is to be located, upon whom all judicial and other process, or legal notice, directed to the applicant may be served. In case of the death, removal from the state, or any legal disability or any disqualification of any such agent, service of such process or notice may be made upon the superintendent.

The ~~division~~ superintendent may, upon notice to the licensee and reasonable opportunity to be heard, suspend or revoke any license or assess a penalty against the licensee if the licensee, or the licensee's officers, agents, or employees, has violated ~~sections 4727.01 to 4727.16 of the Revised Code~~ this chapter. Any penalty shall be appropriate to the violation

but in no case shall the penalty be less than two hundred nor more than two thousand dollars. Whenever, for any cause, a license is suspended or revoked, the ~~division~~ superintendent shall not issue another license to the licensee nor to the legal spouse of the licensee, nor to any ~~partnership or corporation~~ business entity of which the licensee is an officer or member or partner, nor to any person employed by the licensee, until the expiration of at least ~~one year~~ two years from the date of revocation or suspension of the license. The ~~division~~ superintendent shall deposit all penalties allocated pursuant to this section into the state treasury to the credit of the consumer finance fund.

Any proceedings for the revocation or suspension of a license or to assess a penalty against a licensee are subject to Chapter 119. of the Revised Code.

~~(C)~~(G) If a licensee surrenders or chooses not to renew the ~~licensee's~~ pawnbroker's license, the licensee shall notify the superintendent thirty days prior to the date on which the licensee intends to close the licensee's business as a pawnbroker. Prior to the date, the licensee shall do either of the following with respect to all active loans:

(1) Dispose of an active loan by selling the loan to another person holding a valid pawnbroker's license issued under this section;

(2) Reduce the rate of interest on pledged articles held as security for a loan to eight per cent per annum or less effective on the date that the pawnbroker's license is no longer valid.

~~(D) The director of commerce may compel, by subpoena, witnesses to appear and testify in relation to investigations under this chapter and may require, by subpoena duces tecum, the production of any book, paper, or document pertaining to an investigation under this chapter. If a person fails to comply with a subpoena or subpoena duces tecum issued under this division, the director may apply to the court of common pleas in the county where the investigation is being conducted for an order compelling the person to comply with the subpoena or subpoena duces tecum or, for failure to do so, to be held in contempt of court.~~

~~(E) A pawnbroker licensed under this section shall maintain liquid assets of at least ten thousand dollars for the duration that the licensee holds a valid pawnbroker's license issued pursuant to this section.~~

Sec. 4727.04. (A) ~~Application~~ An application for a pawnbroker's license shall state fully the name and address of the ~~person, or corporation,~~ applicant and of every member ~~of the firm, partnership, or association,~~ authorized to do business thereunder, partner, stockholder, or owner of an applicant, and the location of the office or place of business in which the

business is conducted; and in the case of a corporation, shall also state the date and place of its incorporation, the name and address of its manager, the names and addresses of its directors, the name and address of the agent as provided in section 4727.03 of the Revised Code, and any other information required by the ~~division~~ superintendent of financial institutions ~~in the department of commerce.~~

The license shall be kept posted in a conspicuous place in the office where the business is transacted. No person so licensed shall transact or solicit business under any other name or at any location other than at the address stated in the person's license. No licensee may move the licensee's business location without prior notification to the ~~superintendent of financial institutions~~ of at least thirty days. If the licensee moves out of the municipal corporation or county in which the licensee was originally licensed, the licensee shall pay an additional annual license fee to be distributed in accordance with section 4727.03 of the Revised Code.

~~(B) A person licensed as a pawnbroker shall post a conspicuous notice in its place of business, visible to all patrons, in a form and at places designated by rule of the division, that the licensee has no right to retain goods stolen from the true owner, and that the owner may recover the goods or their value from the pawnbroker in an action at law, or, in the event the police take custody of the goods, by police release pursuant to section 2933.41 of the Revised Code.~~

~~(C)~~ The superintendent may issue to a pawnbroker licensed under this chapter a temporary exhibition permit pursuant to division (C)(1) of section 4728.04 of the Revised Code.

(1) A licensee who wishes to be issued a temporary permit pursuant to division (C)(1) of section 4728.04 of the Revised Code shall make request for such issuance by letter addressed to the superintendent. The letter of request shall contain the licensee's name, permanent business address, and license number.

(2) Upon receipt of a temporary exhibition permit, the permit holder shall conspicuously display the permit at the place where the permit holder transacts business at any auction, convention, exhibition, fair, or show.

(3) Every permit holder who wishes to participate in an auction, convention, exhibition, fair, or show, at least two weeks prior to its opening, shall notify the superintendent and the chief of police of the municipal corporation in which the event is to take place, or if the event is to take place outside of any municipal corporation, then the sheriff of the county in which the event is to take place. Such notification shall be by letter and shall include the permit holder's name, permanent business address, and permit

number, and the place where the event is scheduled to be held.

(C) Every licensee shall post at the main door of the licensee's place of business the hours or times when the establishment is open for business. No licensee shall collect interest and storage on any loan for any regular business day that the establishment is not open for business as posted, unless prior notice of a closing is posted on the door or the closing is occasioned by an act of God, unforeseen emergency, or other event beyond the control of the licensee. A licensee shall notify the superintendent of any change in the posted hours of operation.

(D) No licensee shall fail to observe the posted hours of operation pursuant to division (C) of this section except as authorized by that division.

Sec. 4727.05. The superintendent of financial institutions shall, either personally, or by such person as the superintendent may appoint for the purpose, at least once ~~a year~~ every eighteen months, and more often if deemed advisable, investigate the business of every person licensed as a pawnbroker, and of every person, ~~copartnership, and corporation~~ by whom or for which any such loan or purchase shall be made, whether such person, ~~copartnership, or corporation~~ shall act, or claim to act, as principal, agent, or broker, or under or without the authority of ~~sections 4727.01 to 4727.16 of the Revised Code~~ this chapter, and for that purpose shall have free access to all the pledged or purchased articles, books, and all papers relating to the licensee's business. The superintendent and every examiner may examine, under oath or affirmation, any person whose testimony may relate to any business coming within ~~sections 4727.01 to 4727.16 of the Revised Code~~ this chapter.

Sec. 4727.06. (A) No pawnbroker shall charge, receive, or demand interest for any loan in excess of five per cent per month or fraction of a month on the unpaid principal. Interest shall be computed on a monthly basis on the amount of the principal remaining unpaid on the first day of the month and shall not be compounded.

(B) In addition to such the rate of interest, the limitation imposed pursuant to division (A) of this section, the licensee may make a total charge for the storage of pledged articles held as security for a loan, a sum not exceeding two no more than:

(1) Three dollars per month or fraction of a month for all pledged articles held as security or stored for a loan, to be agreed to in writing at the time the loan is made; ~~in instances where the licensee is to deliver or forward the pledged article by express or parcel post, the licensee may make an additional charge of three~~

(2) Four dollars plus the actual cost of shipping. ~~The, when the licensee~~

~~may make an additional charge of one dollar is to deliver or forward the pledged article by express or parcel post to the pledgor;~~

(3) Two dollars for the loss of the original statement issued to the pledgor by the licensee pursuant to section 4727.07 of the Revised Code upon redemption of the pledged articles. ~~The licensee also may make a charge of one dollar;~~

(4) Two dollars for the cost of notifying a pledgor by mail that the pledged articles may be forfeited to the licensee pursuant to section 4727.11 of the Revised Code. ~~The interest and charges shall not be deducted or paid in advance of the dates that the interest and charges are due, except upon redemption of the pledged articles.~~

~~(B) Subject to the maximum amount upon which interest may be computed pursuant to division (A) of this section, monthly interest charges shall be computed monthly on the amount of the principal remaining unpaid on the first day of that month and shall not be compounded.~~

~~(C) A licensee who complies with the requirements or procedures of this state pursuant to the application of the "Brady Handgun Violence Protection Act," Pub. L. No. 103-159, 107 Stat. 1536 (1993), 18 U.S.C.A. 922, as amended, may charge any fee the licensee is required by law to pay in order to comply with such requirements or procedures. The licensee also may charge a fee of no more than two dollars for providing services in compliance with such requirements or procedures.~~

(D) A pledgor may pay a portion of the outstanding principal loan balance at any time. A pledgor may redeem a pawn loan at any time after seventy-two hours have passed since the pledge was made. A pledgor may not prepay interest or storage charges, except when the pledgor redeems the pledged property.

Sec. 4727.08. (A) Every person licensed as a pawnbroker shall keep and use separate pawn forms and purchase forms to be approved by the superintendent of the division of financial institutions in the department of commerce. The forms

(B) The licensee shall disclose, at the time record on the appropriate form for each purchase pawn or loan is made, an accurate description of the goods, articles, or things deposited, the purchase all of the following information:

- (1) The date and time of the pledging or selling them, the purchasing;
- (2) The amount of money loaned on them or paid for them, the loan or the purchase price;
- (3) The rate of interest and the charges to be paid on such the loan, the;
- (4) The time within which such pawn the pledgor is to be redeemed;

~~with~~ redeem the pledged property:

(5) The name, age, ~~place of residence,~~ and address of the pledgor or seller;

(6) A driver's ~~or commercial driver's~~ license number, social security ~~military identification~~ number, or other personal identification, ~~and a short number;~~

(7) A physical description of the ~~person of the~~ pledgor or seller. ~~When any item is pledged or sold, the licensee also shall write on such form;~~

(8) an accurate description of the pledged or purchased property, including the name of the ~~maker~~ manufacturer, the any serial and model numbers, ~~or other any~~ identifying features, and ~~where jewelry or gold or silver articles of any kind are pledged or sold, the licensee shall write on the form all~~ identifying letters or marks ~~inscribed thereon;~~

(9) any other disclosures required by federal law. ~~One~~

(C) A copy of the ~~forms~~ each form used in a pawn or purchase shall be kept at all times in numerical order in an active or inactive file, as appropriate, ~~or bound books available~~ and the licensee shall account for ~~inspection by the division;~~ all form numbers shall be accountable ~~Such~~

(D) The records and forms, at all times, shall be kept at the licensed location and ~~open to the~~ available for inspection of ~~by~~ the superintendent ~~or~~ and ~~by~~ the chief of police of the municipal corporation, ~~a police officer deputed or authorized by the chief of police, or the mayor of the~~ or township in which the licensee's place of business is located or, if the place of business is not located within a municipal corporation or a township that has a chief of police, by the sheriff of the county in which the place of business is located Upon demand of any of them, ~~such person so licensed~~ the licensee shall produce and show any records, forms, ~~and~~ pledges, or purchases which are in the ~~person's~~ licensee's possession.

(E) Except in the case of a pledged motor vehicle, watercraft, or outboard motor, the licensee shall keep all pledges and purchases at the licensee's place of business unless a pledgor, in writing, agrees otherwise at the time the pledge is made. If the item pledged for the pawn loan is a motor vehicle, watercraft, or outboard motor, the ~~pawnbroker~~ licensee shall take possession of both the motor vehicle, watercraft, or outboard motor and the certificate of title to the motor vehicle, watercraft, or outboard motor; and shall keep the certificate at the ~~pawnbroker's~~ licensee's place of business but, upon notification to the pledgor, may keep the motor vehicle, watercraft, or outboard motor at a location other than the ~~pawnbroker's~~ licensee's place of business. No pledge shall be removed from the place of business for the licensee's personal use or gain.

(F) Every person licensed as a pawnbroker under this chapter shall keep and use an intelligible set of books and records in the English language in complying with this chapter with respect to recording the details of each purchase or loan. Except as provided in division (J) of this section, all information required to be recorded by this chapter shall be entered in a bound book or on loose-leaf, permanent forms used exclusively for that purpose. Forms shall be identical and consecutively numbered, and each shall contain two or more pages. One part of each form shall be detachable and, when completed, shall serve as the statement to be given by the licensee to the pledgor or seller as provided by section 4727.07 of the Revised Code. The remaining part of the form shall be retained in the licensee's permanent records. All forms shall be accounted for.

(G) No licensee shall require a borrower to affix the borrower's signature to a blank or partially filled out pawn form or other record.

(H) Every licensee shall preserve the licensee's books, forms, accounts, and records for at least two years after making the final entry regarding any purchase or pledge of property recorded therein.

(I) All pawn and purchase forms, legal notices, and payment receipt forms shall reflect the name under which the licensee is registered with the superintendent and the complete address of the place of business.

(J) Notwithstanding any other provision of this chapter, a licensee may use other methods of recording data, keeping records, and keeping books, such as electronic or computerized methods, in lieu of the methods described in this section, provided written printouts or hard copies of the required data are readily available in a form approved, in advance, by the superintendent.

~~Sec. 4727.09. Each~~ (A) A person licensed as a pawnbroker shall, every business day, ~~make available~~ furnish the following information to the chief of police or the head of the police department, on forms to be furnished by the police department, a of the municipal corporation or township in which the licensee's place of business is located or, if the place of business is not located within a municipal corporation or a township that has a chief of police, to the sheriff of the county in which the place of business is located:

(1) A description of all ~~articles received~~ property pledged with or purchased by him by pledge or sale on the business day immediately preceding, together with the number of the ticket issued the licensee;

(2) The number of the pawn or purchase form the licensee used to document the pledge or purchase.

(B) A licensee shall provide the property description and form number required by division (A) of this section on the form furnished by the law

enforcement officer requesting the information. The completed form may be communicated by electronic transfer or be in a magnetic media format.

(C) For the purposes of this section, a licensee need provide only the information required by division (A) of this section.

Sec. 4727.10. No person licensed as a pawnbroker shall receive any pledge or purchase any articles from any minor, or from any person who is at the time intoxicated or under the influence of a controlled substance, or from any person who is known or believed by the licensee to be a thief, or a receiver of stolen property, or from any person identified in writing to the licensee by the chief of police of a municipal corporation or township, the sheriff, or the state highway patrol as a known or suspected thief or receiver of stolen property.

Sec. 4727.11. (A) If any person receiving a loan from a pawnbroker on a pledge of personal property a pledgor fails to redeem or pay interest on any articles pledged within to a person licensed as a pawnbroker on a pawn loan for two months from the date of the loan or the date on which the last interest payment is due, the licensee shall notify the pledgor by mail, with proof of mailing, to the last place of address given by the pledgor, that unless the pledge or pledgor redeems the pledged property is redeemed or pays all interest due and storage charges within one month thirty days from the date the notice is mailed, if the pledged property shall be forfeited to the licensee. If the pledgor fails to redeem the property or pay all interest due and storage charges within the period specified in the notice, the licensee shall proceed to take ownership becomes the owner of the pledge or pledged property.

(B) In the event that any article or property is redeemed by a person other than the pledgor, the pledgor shall sign ~~his~~ the pledgor's copy of the statement required under section 4727.07 of the Revised Code, which copy shall be presented by the person to the licensee. The licensee shall verify the name of the person redeeming the article or property, and shall record the person's name; and driver's or commercial driver's license number, or social security number other personal identification number, on the licensee's copy of the statement, and shall require the person to sign this copy.

(C) In the event that any articles or property pledged are lost or rendered inoperable due to negligence of the licensee, the licensee shall replace the articles or property with identical articles or property, except that if the licensee cannot reasonably obtain identical articles or property, the licensee shall replace the articles or property with like articles or property.

(D) When an account is paid in full, the licensee shall return the pledged article immediately to the pledgor. In the event the pledgor sells, transfers,

or assigns the pledge, the licensee shall verify the name of the person redeeming the pledge and record that person's name, driver's license number, and signature on the permanent copy of the statement of pledge required pursuant to section 4727.07 of the Revised Code. The licensee also shall obtain the signature of the pledgor, or other person redeeming the pledge, upon a separate record of the transaction, that acknowledges the total dollar amount paid for redemption and the date of redemption. All records shall be kept in the licensee's place of business.

Sec. 4727.12. (A) A person licensed as a pawnbroker shall retain any and all goods or articles pledged with ~~him~~ the licensee until the expiration of seventy-two hours after the pledge ~~was~~ is made, and shall retain any goods or articles purchased by ~~him~~ the licensee until the expiration of fifteen days after the purchase ~~was~~ is made. The licensee may dispose of such goods or articles sooner with the written permission of the ~~local~~ chief of police department of the municipal corporation or township in which the licensee's place of business is located or, if the place of business is not located within a municipal corporation or township that has a chief of police, with the written permission of the sheriff of the county in which the business is located.

(B) If the chief of police or ~~head of the police department~~ sheriff to whom the licensee ~~made~~ makes available the information required by section 4727.09 of the Revised Code has probable cause to believe that the article described therein is stolen property, ~~he~~ the chief or sheriff shall notify the licensee in writing. Upon receipt of such a notice, the licensee shall retain the article until the expiration of thirty days after the day on which ~~he~~ the licensee is first required to make available the information required by section 4727.09 of the Revised Code, unless the chief or ~~the head of the police department~~ sheriff notifies the licensee in writing that ~~he~~ the licensee is not required to retain the article until such expiration.

(C) If the chief or ~~the head of the local police department~~ sheriff receives a report that property has been stolen and determines the identity of the true owner of the allegedly stolen property that has been purchased or pawned and ~~are~~ is held by a licensee, and informs the licensee of the true owner's identity, the licensee may restore the allegedly stolen property to the true owner directly.

If a licensee fails to restore the allegedly stolen property, the true owner may recover the property from the licensee in an action at law.

(D) If the licensee returns the allegedly stolen property to the true owner, the licensee may charge the person who pledged or sold the allegedly stolen property to ~~him~~ the licensee, and any person who acted in consort with the pledgor or the seller to defraud the licensee, the amount the licensee

paid or loaned for the allegedly stolen property, plus interest and storage charges provided for in section 4727.06 of the Revised Code.

Sec. 4727.13. ~~(A) The superintendent of financial institutions shall adopt rules in accordance with Chapter 119. of the Revised Code for the administration and enforcement of sections 4727.01 to 4727.16 of the Revised Code~~ this chapter.

~~(B) The superintendent shall enforce sections 4727.01 to 4727.16 of the Revised Code~~ this chapter, make all reasonable effort to discover alleged violators, notify the proper prosecuting officer whenever the superintendent has reasonable grounds to believe that a violation has occurred, act as complainant in the prosecution thereof, and aid such officers to the best of the superintendent's ability in such prosecutions. The superintendent shall employ such deputies as may be necessary to make the investigations and inspections, and otherwise perform the duties imposed by such sections.

~~(C) The superintendent may issue a cease and desist order against any person the superintendent reasonably suspects has violated, is currently violating, or is about to violate this chapter. The superintendent may apply to a court of common pleas for an order compelling a person to comply with any cease and desist order or any subpoena issued by the superintendent.~~

~~(D) The superintendent may obtain from the court of common pleas any form of injunctive relief against any person that has violated, is currently violating, or is about to violate this chapter.~~

~~(E) To enforce this chapter, the superintendent may issue a subpoena to any person to compel the production of any item, record, or writing, including an electronic writing, and may issue a subpoena to any person to compel the appearance and rendering of testimony.~~

~~(F) The superintendent may examine and investigate the business, including the business location and any books, records, writings, including electronic writings, safes, files, or storage areas located in or utilized by the business location, of any person the superintendent reasonably suspects to be advertising, transacting, or soliciting business as a pawnbroker. The superintendent may request the attendance and assistance of the appropriate chief of police of a municipal corporation or township, the county sheriff, or the state highway patrol during the examination and investigation of the business.~~

Sec. 4727.14. ~~Sections 4727.01 to 4727.15 of the Revised Code do this chapter does not apply to persons who obtain licenses under sections 1321.01 to 1321.19 or 1321.51 to 1321.60 of the Revised Code, or to national banks, state banks, or federally insured depository institutions such as a state or federally chartered bank, savings and loan associations~~

ssociation, or credit unions union.

Sec. 4727.15. (A) No person, firm, partnership, corporation, or association licensed as a pawnbroker under this chapter, and no agent, officer, or employee thereof, shall violate sections 4727.01 to 4727.15 of the Revised Code this chapter. The division of financial institutions upon criminal conviction shall revoke any license issued to such person, firm, partnership, corporation, or association. The division also may assess a penalty against or revoke or suspend the license of any licensee in accordance with section 4727.03 of the Revised Code upon a criminal conviction of the licensee for any criminal offense.

(B) Upon the criminal conviction of a licensee or any employee, manager, officer, director, shareholder, member, or partner of a licensee for a violation of this chapter, the superintendent of financial institutions may suspend the license of the licensee without a prior hearing to protect the public interest and subsequently may act to revoke the license of the licensee pursuant to Chapter 119. of the Revised Code.

(C) Upon the criminal conviction of a licensee or any employee, manager, officer, director, shareholder, member, or partner of a licensee under any section in Title XXIX of the Revised Code or under federal law for theft, receiving stolen property, or money laundering, the superintendent may suspend the license of the licensee without a prior hearing to protect the public interest and subsequently may act to revoke the license of the licensee pursuant to Chapter 119. of the Revised Code.

(D) Upon the criminal conviction of a licensee under any section of Title XXIX of the Revised Code or under federal law for a crime other than theft, receiving stolen property, or money laundering, the superintendent may assess a penalty against the licensee or act to revoke or suspend the license of the licensee pursuant to Chapter 119. of the Revised Code.

Sec. 4727.16. (A) A person licensed as a pawnbroker under this chapter shall state the license number issued by the superintendent of financial institutions in all advertisements, offers, and solicitations.

(B) No person not licensed under this chapter may advertise as a pawnbroker.

Sec. 4727.17. (A) Every sale, transfer, or hypothecation of any stock, security, membership, partnership, or other equitable, beneficial, or ownership interest in a person licensed as a pawnbroker, in an amount representing a ten per cent or greater equitable, membership, partnership, beneficial, or other ownership interest in the licensee, must be approved in writing by the superintendent of financial institutions prior to the sale, transfer, or hypothecation of the interest in the licensee.

(B) Every person acquiring or receiving an interest as described in division (A) of this section is subject to the licensing requirements of this chapter as if the person were a new and separate license applicant.

Sec. 4727.18. (A) Except as otherwise provided in this division, any information arising from, obtained by, or contained in an investigation of a person licensed as a pawnbroker under this chapter performed by the superintendent of financial institutions is confidential information and is not a public record under section 149.43 of the Revised Code. The superintendent, however, may share investigation information with a law enforcement agency.

(B) Except as otherwise provided in this division, any information arising from, obtained by, or contained in an investigation by the superintendent of any person the superintendent reasonably suspects has violated or is violating this chapter is confidential information and not a public record under section 149.43 of the Revised Code. The superintendent, however, may share investigation information with a law enforcement agency.

Sec. 4727.19. (A) Effective with the two-year period that begins June 30, 2000, and every two-year period thereafter, each person licensed as a pawnbroker under this chapter shall complete by the end of the period at least twelve hours of continuing education instruction offered in a course or program approved by the superintendent of financial institutions after consultation with an industry representative selected by the superintendent.

(B) Any person licensed under this chapter who has more than three employees shall designate an individual to the superintendent as a salesperson. Effective with the two-year period that begins June 30, 2000, and every two-year period thereafter, a salesperson shall complete by the end of the period at least eight hours of continuing education instruction offered in a course or program approved by the superintendent in consultation with a designated industry representative.

(C) Each location of those persons licensed under this chapter who have three or more employees shall have at least one salesperson who meets the continuing education requirements of this section.

(D) The superintendent, in accordance with Chapter 119. of the Revised Code, may suspend, revoke, or refuse to renew the license of any licensee who fails to comply with this section.

(E) The superintendent, in accordance with Chapter 119. of the Revised Code, may adopt rules regarding continuing education fees, locations, times, frequency, and waivers of requirements.

Sec. 4727.20. (A) No person licensed as a pawnbroker under this

chapter shall conduct business in this state, unless the licensee does either of the following:

(1) Maintains liquid assets in a minimum amount of fifty thousand dollars;

(2) Obtains a surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least twenty-five thousand dollars. The licensee shall file a copy of the bond with the superintendent. The bond shall be for the exclusive benefit of any person injured by a licensee's violation of this chapter. The aggregate liability of the surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond.

(B) The licensee shall give notice to the superintendent by certified mail, return receipt requested, of any action that is brought against the licensee and of any judgment that is entered against the licensee by a person injured by a violation of this chapter. The notice shall provide details sufficient to identify the action or judgment and shall be filed with the superintendent within ten days after the commencement of the action or notice to the licensee of entry of a judgment. The surety, within ten days after it pays any claim or judgment, shall give notice to the superintendent by certified mail, return receipt requested, of the payment, with details sufficient to identify the person and the claim or judgment paid.

(C) Whenever the penal sum of the surety bond is reduced by one or more recoveries or payments, the licensee shall furnish a new or additional bond under this section, so that the total or aggregate penal sum of the bond or bonds equals the sum required by this section, or shall furnish an endorsement executed by the surety reinstating the bond to the required penal sum of the bond.

(D) The liability of the surety on the bond to the superintendent and to any person injured by a violation of this chapter is not affected in any way by any misrepresentation, breach of warranty, or failure to pay the premium, by any act or omission upon the part of the licensee, by the insolvency or bankruptcy of the licensee, or by the insolvency of the licensee's estate. The liability for any act or omission that occurs during the term of the surety bond shall be maintained and in effect for at least two years after the date on which the surety bond is terminated or canceled.

(E) The licensee shall not cancel the surety bond except upon notice to the superintendent by certified mail, return receipt requested. The cancellation is not effective prior to thirty days after the superintendent receives the notice.

(F) No licensee shall fail to comply with this section.

Sec. ~~4727.16~~ 4727.21. The state, through the superintendent of ~~the division of~~ financial institutions ~~in the department of commerce,~~ in accordance with this chapter, ~~shall be~~ is the sole regulator of persons engaged in business as pawnbrokers.

Sec. 4727.99. (A) Whoever violates sections 4727.03 to ~~4727.15~~ 4727.21 of the Revised Code is guilty of a misdemeanor of the third degree on a first offense and a misdemeanor of the second degree on each subsequent offense.

(B) Whoever violates section 4727.02 of the Revised Code is guilty of a felony of the fifth degree.

SECTION 2. That existing sections 4727.01, 4727.02, 4727.03, 4727.04, 4727.05, 4727.06, 4727.08, 4727.09, 4727.10, 4727.11, 4727.12, 4727.13, 4727.14, 4727.15, 4727.16, and 4727.99 of the Revised Code are hereby repealed.

SECTION 3. Section 4727.01 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 353 and Am. Sub. S.B. 293 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. Section 4727.06 of the Revised Code is presented in this act as a composite of the section as amended by both Sub. H.B. 376 and Sub. S.B. 259 of the 120th General Assembly, with the new language of neither of the acts shown in capital letters. Section 4727.08 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 353 and Am. Sub. S.B. 293 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date of this act.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

Sub. H. B. No. 467

18

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*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_