

As Introduced

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S. B. No. 171

Senator Stivers

Cosponsors: Senators Jacobson, Schuring, Schuler, Mumper

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A B I L L

To amend sections 4727.08, 4727.11, 4737.01, and 1
4737.04 and to enact sections 4737.041, 4737.042, 2
and 4737.043 of the Revised Code to make certain 3
changes to the Pawnbrokers Law and the Secondhand 4
Dealers Law. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4727.08, 4727.11, 4737.01, and 6
4737.04 be amended and sections 4737.041, 4737.042, and 4737.043 7
of the Revised Code be enacted to read as follows: 8

Sec. 4727.08. (A) Every person licensed as a pawnbroker shall 9
keep and use separate pawn forms and purchase forms to be approved 10
by the superintendent of financial institutions. 11

(B) The licensee shall record on the appropriate form for 12
each pawn or purchase all of the following information: 13

(1) The date and time of the pledging or purchasing; 14

(2) The amount of the loan or the purchase price; 15

(3) The rate of interest and the charges to be paid on the 16
loan; 17

(4) The time within which the pledgor is to redeem the 18

pledged property;	19
(5) The name, age, and address of the pledgor or seller;	20
(6) A driver's license number, military identification number, or other personal identification number <u>found on any other government-issued identification card</u> ;	21 22 23
(7) A physical description of the pledgor or seller;	24
(8) An accurate description of the pledged or purchased property, including the name of the manufacturer, any serial and model numbers, any identifying features, and any identifying letters or marks;	25 26 27 28
(9) Any other disclosures required by federal law.	29
(C) A copy of 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, and the licensee shall account for all form numbers.	30 31 32 33
(D) The records and forms, at all times, shall be kept at the licensed location and available for inspection by the superintendent and by the chief of police 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, by the sheriff of the county in which the place of business is located. Upon demand of any of them, the licensee shall produce and show any records, forms, pledges, or purchases which are in the licensee's possession.	34 35 36 37 38 39 40 41 42 43
(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,	44 45 46 47 48

watercraft, or outboard motor, the licensee shall take possession 49
of both the motor vehicle, watercraft, or outboard motor and the 50
certificate of title to the motor vehicle, watercraft, or outboard 51
motor and shall keep the certificate at the licensee's place of 52
business but, upon notification to the pledgor, may keep the motor 53
vehicle, watercraft, or outboard motor at a location other than 54
the licensee's place of business. No pledge shall be removed from 55
the place of business for the licensee's personal use or gain. 56

(F) Every person licensed as a pawnbroker under this chapter 57
shall keep and use an intelligible set of books and records in the 58
English language in complying with this chapter with respect to 59
recording the details of each purchase or loan. Except as provided 60
in division (J) of this section, all information required to be 61
recorded by this chapter shall be entered in a bound book or on 62
loose-leaf, permanent forms used exclusively for that purpose. 63
Forms shall be identical and consecutively numbered, and each 64
shall contain two or more pages. One part of each form shall be 65
detachable and, when completed, shall serve as the statement to be 66
given by the licensee to the pledgor or seller as provided by 67
section 4727.07 of the Revised Code, ~~the.~~ The remaining part of 68
the form shall be retained in the licensee's permanent records. 69
All forms shall be accounted for. 70

(G) No licensee shall require a borrower to affix the 71
borrower's signature to a blank or partially filled out pawn form 72
or other record. 73

(H) Every licensee shall preserve the licensee's books, 74
forms, accounts, and records for at least two years after making 75
the final entry regarding any purchase or pledge of property 76
recorded therein. 77

(I) All pawn and purchase forms, legal notices, and payment 78
receipt forms shall reflect the name under which the licensee is 79
registered with the superintendent and the complete address of the 80

place of business. 81

(J) Notwithstanding any other provision of this chapter, a 82
licensee may use other methods of recording data, keeping records, 83
and keeping books, such as electronic or computerized methods, in 84
lieu of the methods described in this section, provided written 85
printouts or hard copies of the required data are readily 86
available in a form approved, in advance, by the superintendent. 87

Sec. 4727.11. (A) If a pledgor fails to pay interest to a 88
person licensed as a pawnbroker on a pawn loan for two months from 89
the date of the loan or the date on which the last interest 90
payment is due, the licensee shall notify the pledgor by mail, 91
with proof of mailing, to the last place of address given by the 92
pledgor, that unless the pledgor redeems the pledged property or 93
pays all interest due and storage charges within thirty days from 94
the date the notice is mailed, the pledged property shall be 95
forfeited to the licensee. If the pledgor fails to redeem or pay 96
all interest due and storage charges within the period specified 97
in the notice, the licensee becomes the owner of the pledged 98
property. 99

(B) In the event that any article or property is redeemed by 100
a person other than the pledgor, the pledgor shall sign the 101
pledgor's copy of the statement required under section 4727.07 of 102
the Revised Code, which copy shall be presented by the person to 103
the licensee. The licensee shall verify the name of the person 104
redeeming the article or property, and shall record the person's 105
name and driver's license number, military identification number, 106
or other ~~personal~~ identification number found on any other 107
government-issued identification card, on the licensee's copy of 108
the statement, and shall require the person to sign this copy. 109

(C) In the event that any articles or property pledged are 110
lost or rendered inoperable due to negligence of the licensee, the 111

licensee shall replace the articles or property with identical 112
articles or property, except that if the licensee cannot 113
reasonably obtain identical articles or property, the licensee 114
shall replace the articles or property with like articles or 115
property. 116

(D) When an account is paid in full, the licensee shall 117
return the pledged article immediately to the pledgor. In the 118
event the pledgor sells, transfers, or assigns the pledge, the 119
licensee shall verify the name of the person redeeming the pledge 120
and record that person's name, driver's license number, military 121
identification number, or other identification number found on any 122
other government-issued identification card; and signature on the 123
permanent copy of the statement of pledge required pursuant to 124
section 4727.07 of the Revised Code. The licensee also shall 125
obtain the signature of the pledgor, or other person redeeming the 126
pledge, upon a separate record of the transaction, that 127
acknowledges the total dollar amount paid for redemption and the 128
date of redemption. All records shall be kept in the licensee's 129
place of business. 130

Sec. 4737.01. (A) A person purchasing, selling, exchanging, 131
or receiving secondhand articles of any kind, ~~scrap iron, old~~ 132
~~metal,~~ canvas, rope, branded bottles, ~~junk or lead pipe,~~ except 133
plow irons, old stoves, and furniture, shall post in a conspicuous 134
place in or upon ~~his~~ the person's shop, store, wagon, boat, or 135
other place of business, a sign having ~~his~~ the person's name and 136
occupation legibly inscribed thereon, and keep a separate book, 137
open to inspection by any law enforcement officer, in which shall 138
be written, in the English language, at the time of the purchase 139
or exchange of such articles, a description thereof, the name, 140
description, ~~and~~ residence, and driver's license number, military 141
identification number, or other identification number found on any 142
other government-issued identification card of the person from 143

whom purchased and received, and the day and hour when such 144
purchase or exchange was made. Every entry shall be numbered 145
consecutively, commencing with number one. 146

(B) Any person, prior to purchasing any secondhand article of 147
furniture or secondhand electrical or gas appliance or equipment 148
for the purpose of resale to the general public, other than an 149
article or special procedures article, the acquisition of which is 150
governed by section 4737.04 or 4737.041 of the Revised Code, shall 151
demand to examine the seller's driver's or commercial driver's 152
license or identification card issued under sections 4507.50 to 153
4507.52 of the Revised Code and one additional type of card 154
typically used for identification purposes. 155

The purchaser shall keep a written record of the number of 156
the license or identification card and the type and number of the 157
other identification card accepted together with the date of 158
purchase, the name and address of the seller, and a description of 159
the article purchased. The purchaser shall retain the written 160
record for at least one year and shall make the record available 161
for inspection by any law enforcement officer at all reasonable 162
times. For the purposes of this division, the purchaser may 163
utilize the written record ~~he~~ the purchaser is required to keep 164
where applicable under division (A) of this section and add to it 165
the information required by this division. 166

Sec. 4737.04. (A) As used in this section and sections 167
4737.041 and 4737.042 of the Revised Code: 168

(1) "Scrap metal dealer" means a person who purchases or 169
receives scrap iron, metal, and waste materials. 170

(2) "Special procedures article" means all of the following: 171

(a) Air conditioners; 172

(b) Beer kegs; 173

<u>(c) Cable or other wire that is wound upon a spool or reel;</u>	174
<u>(d) Electronic devices;</u>	175
<u>(e) Furnaces;</u>	176
<u>(f) Grave markers, sculptures, plaques, and vases, the appearance of which suggest that the articles have been obtained from a cemetery;</u>	177 178 179
<u>(g) Guard rails for bridges, highways, and roads; highway and street signs; street light poles and fixtures; manhole covers, water meter covers, and other similar types of utility access covers; traffic directional and control signs and light signals, metal marked with the name of a political subdivision of the state, and other articles that are purchased and installed for use upon authorization of the state or any political subdivision of the state;</u>	180 181 182 183 184 185 186 187
<u>(h) Historical markers;</u>	188
<u>(i) Hot water heaters;</u>	189
<u>(j) Motor vehicles, as defined in division (B) of section 4501.01 of the Revised Code;</u>	190 191
<u>(k) Refrigerators, freezers, stoves, clothes washers or dryers.</u>	192 193
<u>(3) "Electronic device" means any device relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities but does not include any common consumer household electronic device.</u>	194 195 196 197
<u>(4) "Common consumer household electronic device" means a device powered by electricity that is commonly used in a personal residence and is not designed for commercial use and includes, but is not limited to, garage door openers; answering machines; blenders; cassette players and recorders; record players; compact disc players and recorders; calculators; clocks; coffee or tea</u>	198 199 200 201 202 203

makers; copy machines; digital video disc players and recorders; 204
fans, hairdryers; hot pots; lamps and light fixtures; microwave 205
ovens; paper shredders; personal computers; printers; scanners; 206
fax machines; security system components; stereo components; 207
televisions; telephones; toasters; toaster ovens; vacuums and 208
other floor cleaning or care equipment; videocassette players and 209
recorders; can openers, griddles, grills, knives, slicers, 210
slow-cookers, and other similar kitchen appliances; razors, 211
toothbrushes, curling or straightening irons, and other similar 212
personal care and hygiene items; drills, sanders, saws, and other 213
similar tools; blowers, chain saws, hedge clippers, mowers, 214
pressure washers, trimmers, and other similar workshop lawn and 215
garden tools. 216

(5) "Common recycled matter" means glass bottles and other 217
glass containers, plastic bottles and other plastic containers, 218
newspapers, and magazines. 219

(6) "Industrial sales" means sales transacted between a scrap 220
metal dealer and a person whose primary business is to supply 221
scrap metal dealers with ferrous and nonferrous metal in bulk 222
quantities on a regular basis. 223

(7) "Recyclable materials" means items for which a code is 224
designated by the institute for scrap recycling industries or its 225
successor organization. 226

(B) Every scrap metal dealer in scrap iron, metal, and waste 227
materials shall maintain a record book of records or electronic 228
file, in which he the dealer shall keep an accurate and complete 229
record of all articles purchased or received by him the dealer in 230
the course of his the dealer's daily business. On and after the 231
effective date of this amendment, every entry in the record book 232
or electronic file shall be numbered consecutively, commencing 233
with number one. Every dealer shall maintain the record for each 234
article purchased or received for a minimum period of six months 235

after the date the dealer purchased or received the article. Said 236
records shall contain all of the ~~name~~ following information: 237

(1) Name, description, ~~and~~ residence, and driver's license 238
number, military identification number, or other identification 239
number found on any other government-issued identification card of 240
the person from whom said articles were purchased or received ~~and~~ 241
the; 242

(2) The date and ~~hour~~ time when such purchases or exchange 243
were made; 244

(3) Except as otherwise specified in division (C) of this 245
section, a full and accurate description of each article purchased 246
or received by the dealer that includes identifying letters or 247
marks written, inscribed, or otherwise included on the article and 248
the name and maker of the article if known; 249

(4) If the seller or provider of the articles arrives at the 250
dealer's place of business in a motor vehicle, the license plate 251
number of that motor vehicle along with the state that issued the 252
license plate. 253

(C) For the purchase or receipt of recyclable materials that 254
are not special procedures articles, use of codes for recyclable 255
materials as specified by the institute for scrap recycling 256
industries or its successor organization is sufficient as a 257
description of the articles purchased or received by a scrap metal 258
dealer. 259

(D) All journal brasses, and other railroad metals, other 260
than purchases and sales under sections 4973.13 to 4973.16~~7~~ 261
~~inclusive~~, of the Revised Code, shall be held by the dealer for a 262
period of thirty days after being purchased or acquired. 263

~~Such~~ (E) The records required under division (B) of this 264
section shall be open for inspection by the representative of any 265
law enforcement agency ~~at~~ and the director of public safety or the 266

director's designated representative during all business hours. A 267
scrap metal dealer shall provide a copy of those records to any 268
law enforcement agency who requests the records or to the director 269
or director's representative, upon request. Records submitted to 270
any law enforcement agency pursuant to this section are not 271
considered public records for purposes of section 149.43 of the 272
Revised Code. Any person may, however, request such records, but 273
the law enforcement agency shall redact information that reveals 274
the name of the seller of any article and the price the dealer 275
paid for any article the dealer purchased or the estimated value 276
of any article the dealer received. 277

(F) No scrap metal dealer shall purchase or receive any 278
articles from a person who refuses to show the dealer a current 279
and valid form of identification that includes a photograph of 280
that person. 281

No scrap metal dealer shall purchase or receive articles from 282
any person the dealer knows is a thief or receiver of stolen 283
property. The law enforcement agency that serves the jurisdiction 284
in which the dealer is located shall provide a list, as that 285
agency determines appropriate, of the names and descriptions of 286
persons known to be or who are suspected to be thieves or 287
receivers of stolen property. 288

No scrap metal dealer shall purchase or receive any special 289
procedures articles from any person who is under eighteen years of 290
age. 291

(G) Every scrap metal dealer shall post a notice in a 292
conspicuous place on the dealer's premises notifying persons who 293
may wish to transact business with the dealer of the penalties 294
applicable to any person who, with the intent to deceive, does any 295
of the following: 296

(1) Provides a false form of identification of the person to 297

<u>the dealer;</u>	298
<u>(2) Provides any other false information to the dealer in connection with the dealer's duty to maintain the records required under division (B) of this section;</u>	299 300 301
<u>(3) Commits a theft offense.</u>	302
<u>Sec. 4737.041. A scrap metal dealer who purchases or receives special procedures articles shall do all of the following with respect to each special procedures article:</u>	303 304 305
<u>(A) Comply with the requirements of this section in addition to complying with the requirements of section 4737.04 of the Revised Code with respect to those special procedures articles;</u>	306 307 308
<u>(B) Take photographs of each special procedures article from at least three perspectives to obtain photographs of the article that depict various sides of the article;</u>	309 310 311
<u>(C) If payment is rendered for the special procedures articles, issue a check for the purchase of the special procedures articles;</u>	312 313 314
<u>(D) Withhold payment for the purchase of the special procedures articles for a period of two days after the day the special procedures articles are purchased;</u>	315 316 317
<u>(E) Make records describing special procedures articles purchased or received available for inspection to business entities for a period of six months after the date of purchase or receipt of the articles, except that the name of the person from whom the special procedures articles are purchased or received and the amount paid for the special procedures articles shall not be made available for such inspection.</u>	318 319 320 321 322 323 324
<u>Sec. 4737.042. Sections 4737.04 and 4737.041 of the Revised Code do not apply with respect to any of the following:</u>	325 326

(A) The donation of articles to nonprofit organizations or to any other person, on the condition that the person donating the articles receives no payment or any other valuable consideration in exchange for or due to donating the articles; 327
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(B) The sale of common recycled matter; 331

(C) Industrial sales. 332

Sec. 4737.043. Sections 4737.01 to 4737.04 of the Revised Code do not prevent the legislative authority of a municipal corporation from making further and additional regulations not in conflict with those sections. Those sections do not modify or repeal any regulations adopted by a municipal corporation that are in force on the effective date of this section that are not in conflict with those sections. 333
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Section 2. That existing sections 4727.08, 4727.11, 4737.01, and 4737.04 of the Revised Code are hereby repealed. 340
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