

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 192

Representatives McGregor, Slesnick

Cosponsors: Representatives Hackett, Blair, Ruhl

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A B I L L

To amend sections 4505.102, 4727.03, 4727.06, 1
4727.07, 4727.08, 4727.09, 4727.11, 4727.12, 2
4727.13, 4727.20, and 4727.99 and to enact 3
sections 4727.061 and 4727.23 of the Revised Code 4
to revise the law governing pawnbrokers. 5

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

Section 1. That sections 4505.102, 4727.03, 4727.06, 4727.07, 6
4727.08, 4727.09, 4727.11, 4727.12, 4727.13, 4727.20, and 4727.99 7
be amended and sections 4727.061 and 4727.23 of the Revised Code 8
be enacted to read as follows: 9

Sec. 4505.102. (A) If a pawnbroker licensed under Chapter 10
4727. of the Revised Code makes a loan that is secured by a motor 11
vehicle, watercraft, or outboard motor and has taken possession of 12
the motor vehicle, watercraft, or outboard motor and the 13
certificate of title to the motor vehicle, watercraft, or outboard 14
motor, and the owner of the motor vehicle, watercraft, or outboard 15
motor fails to redeem or pay interest on the loan for which the 16
motor vehicle, watercraft, or outboard motor was pledged within 17
two months from the date of the loan or the date on which the last 18
interest payment is due, and the pawnbroker notifies the owner by 19

mail, with proof of mailing, as required by division (A) of 20
section 4727.11 of the Revised Code, or electronically, as 21
permitted by that division, of the possible forfeiture of the 22
motor vehicle, watercraft, or outboard motor, and the owner fails 23
to redeem the motor vehicle, watercraft, or outboard motor within 24
the thirty-day period required by that division to be specified in 25
the notice, the pawnbroker shall proceed to obtain a certificate 26
of title to the motor vehicle, watercraft, or outboard motor in 27
the pawnbroker's name in the manner provided in this section. 28

(B) The pawnbroker shall execute an affidavit stating all of 29
the following: 30

(1) That the pawnbroker is a pawnbroker licensed under 31
Chapter 4727. of the Revised Code; 32

(2) That the pawnbroker has made a loan to the owner of a 33
motor vehicle, watercraft, or outboard motor, and the security for 34
the loan is the motor vehicle, watercraft, or outboard motor; 35

(3) That both the motor vehicle, watercraft, or outboard 36
motor and the certificate of title to the motor vehicle, 37
watercraft, or outboard motor are in the possession of the 38
pawnbroker; 39

(4) That the owner of the motor vehicle, watercraft, or 40
outboard motor has failed to redeem the pledged motor vehicle, 41
watercraft, or outboard motor or pay interest on the loan for 42
which the motor vehicle, watercraft, or outboard motor was pledged 43
within two months from the date of the loan or the date on which 44
the last interest payment was due; 45

(5) That the pawnbroker has notified the owner of the motor 46
vehicle, watercraft, or outboard motor by mail, with proof of 47
mailing, as required by division (A) of section 4727.11 of the 48
Revised Code, or electronically, as permitted by that division, 49

and the owner has failed to redeem the motor vehicle, watercraft, 50
or outboard motor within the thirty-day period required by that 51
division to be specified in the notice. 52

Upon presentation by the pawnbroker of a copy of the 53
affidavit, a copy of the pawn form, a copy of the proof of mailing 54
or that the electronic mail was sent, and the certificate of title 55
to the motor vehicle, watercraft, or outboard motor, a clerk of a 56
court of common pleas shall issue, if the record shows no lien or 57
encumbrances exist, a certificate of title, free and clear of all 58
liens and encumbrances, to the pawnbroker. 59

(C) No person shall execute or present the affidavit required 60
by this section, knowing any entry on the affidavit to be false. 61

(D) Whoever violates this section shall be fined not more 62
than two hundred dollars, imprisoned not more than ninety days, or 63
both. 64

Sec. 4727.03. (A) As used in this section, "experience and 65
fitness in the capacity involved" means that the applicant for a 66
pawnbroker's license demonstrates sufficient financial 67
responsibility, reputation, and experience in the pawnbroker 68
business, or in a related business, to act as a pawnbroker in 69
compliance with this chapter. "Experience and fitness in the 70
capacity involved" shall be determined by all of the following: 71

(1) Prior or current ownership or management of, or 72
employment in, a pawnshop; 73

(2) Demonstration to the satisfaction of the superintendent 74
of financial institutions of a thorough working knowledge of all 75
pawnbroker laws and rules as they relate to the actual operation 76
of a pawnshop. 77

A demonstration shall include a demonstration of an ability 78
to properly complete forms, knowledge of how to properly calculate 79

interest and storage charges, and knowledge of legal notice and 80
forfeiture procedures. The final determination of whether an 81
applicant's demonstration is adequate rests with the 82
superintendent. 83

(3) A submission by the applicant and any stockholders, 84
owners, managers, directors, or officers of the pawnshop, and 85
employees of the applicant to a police record check; and 86

(4) Liquid assets in a minimum amount of one hundred thousand 87
dollars at the time of applying for initial licensure and 88
demonstration of the ability to maintain the liquid assets at a 89
minimum amount of ~~fifty~~ one hundred thousand dollars for the 90
duration of holding a valid pawnbroker's license. 91

(B) The superintendent may grant a license to act as a 92
pawnbroker to any person of good character and having experience 93
and fitness in the capacity involved to engage in the business of 94
pawnbroking upon the payment to the superintendent of a license 95
fee determined by the superintendent pursuant to section 1321.20 96
of the Revised Code. A license is not transferable or assignable. 97

(C) The superintendent may consider an application withdrawn 98
and may retain the investigation fee required under division (D) 99
of this section if both of the following are true: 100

(1) An application for a license does not contain all of the 101
information required under division (B) of this section. 102

(2) The information is not submitted to the superintendent 103
within ninety days after the superintendent requests the 104
information from the applicant in writing. 105

(D) The superintendent shall require an applicant for a 106
pawnbroker's license to pay to the superintendent a nonrefundable 107
initial investigation fee of ~~two~~ three hundred dollars, which is 108
for the exclusive use of the state. 109

(E)(1) Except as otherwise provided in division (E)(2) of 110
this section, a pawnbroker's license issued by the superintendent 111
expires on the thirtieth day of June next following the date of 112
its issuance, and may be renewed annually by the thirtieth day of 113
June in accordance with the standard renewal procedure set forth 114
in Chapter 4745. of the Revised Code. Fifty per cent of the annual 115
license fee shall be for the use of the state, and fifty per cent 116
shall be paid by the state to the municipal corporation, or if 117
outside the limits of any municipal corporation, to the county, in 118
which the office of the licensee is located. All such fees payable 119
to municipal corporations or counties shall be paid annually. 120

(2) A pawnbroker's license issued or renewed by the 121
superintendent on or after January 1, 2006, expires on the 122
thirtieth day of June in the even-numbered year next following the 123
date of its issuance or renewal, as applicable, and may be renewed 124
biennially by the thirtieth day of June in accordance with the 125
standard renewal procedure set forth in Chapter 4745. of the 126
Revised Code. Fifty per cent of the biennial license fee shall be 127
for the use of the state, and fifty per cent shall be paid by the 128
state to the municipal corporation, or if outside the limits of 129
any municipal corporation, to the county, in which the office of 130
the licensee is located. All such fees payable to municipal 131
corporations or counties shall be paid biennially. 132

(F) The fee for renewal of a license shall be equivalent to 133
the fee for an initial license established by the superintendent 134
pursuant to section 1321.20 of the Revised Code. Any licensee who 135
wishes to renew the pawnbroker's license but who fails to do so on 136
or before the date the license expires shall reapply for licensure 137
in the same manner and pursuant to the same requirements as for 138
initial licensure, unless the licensee pays to the superintendent 139
on or before the thirty-first day of August of the year the 140
license expires, a late renewal penalty of one hundred dollars in 141

addition to the regular renewal fee. Any licensee who fails to 142
renew the license on or before the date the license expires is 143
prohibited from acting as a pawnbroker until the license is 144
renewed or a new license is issued under this section. Any 145
licensee who renews a license between the first day of July and 146
the thirty-first day of August of the year the license expires is 147
not relieved from complying with this division. The superintendent 148
may refuse to issue to or renew the license of any licensee who 149
violates this division. 150

(G) No license shall be granted to any person not a resident 151
of or the principal office of which is not located in the 152
municipal corporation or county designated in such license unless 153
that applicant, in writing and in due form approved by and filed 154
with the superintendent, first appoints an agent, a resident of 155
the state, and city or county where the office is to be located, 156
upon whom all judicial and other process, or legal notice, 157
directed to the applicant may be served. In case of the death, 158
removal from the state, or any legal disability or any 159
disqualification of any such agent, service of such process or 160
notice may be made upon the superintendent. 161

The superintendent may, upon notice to the licensee and 162
reasonable opportunity to be heard, suspend or revoke any license 163
or assess a penalty against the licensee if the licensee, or the 164
licensee's officers, agents, or employees, has violated this 165
chapter. Any penalty shall be appropriate to the violation but in 166
no case shall the penalty be less than two hundred nor more than 167
two thousand dollars. Whenever, for any cause, a license is 168
suspended or revoked, the superintendent shall not issue another 169
license to the licensee nor to the legal spouse of the licensee, 170
nor to any business entity of which the licensee is an officer or 171
member or partner, nor to any person employed by the licensee, 172
until the expiration of at least two years from the date of 173

revocation or suspension of the license. The superintendent shall 174
deposit all penalties allocated pursuant to this section into the 175
state treasury to the credit of the consumer finance fund. 176

Any proceedings for the revocation or suspension of a license 177
or to assess a penalty against a licensee are subject to Chapter 178
119. of the Revised Code. 179

(H) If a licensee surrenders or chooses not to renew the 180
pawnbroker's license, the licensee shall notify the superintendent 181
thirty days prior to the date on which the licensee intends to 182
close the licensee's business as a pawnbroker. Prior to the date, 183
the licensee shall do either of the following with respect to all 184
active loans: 185

(1) Dispose of an active loan by selling the loan to another 186
person holding a valid pawnbroker's license issued under this 187
section; 188

(2) Reduce the rate of interest on pledged articles held as 189
security for a loan to eight per cent per annum or less effective 190
on the date that the pawnbroker's license is no longer valid. 191

Sec. 4727.06. (A) No pawnbroker shall charge, receive, or 192
demand interest for any loan in excess of ~~five~~ three per cent per 193
month or fraction of a month on the unpaid principal. Interest 194
shall be computed on a monthly basis on the amount of the 195
principal remaining unpaid on the first day of the month and shall 196
not be compounded. 197

(B) In addition to the rate of interest limitation imposed 198
pursuant to division (A) of this section, ~~the~~ a licensee may 199
charge ~~no more than:~~ 200

~~(1) Four dollars per month or fraction of a month for all 201
pledged articles held as security or stored for a loan, to be 202
agreed to in writing at the time the loan is made; 203~~

~~(2) Four dollars plus the actual cost of shipping, when the licensee is to deliver or forward the pledged article by express or parcel post to the pledgor;~~ 204
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~~(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;~~ 207
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~~(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, contract for, or receive a reasonable fee, not to exceed one-tenth of the value of the loan per month for investigating a title, appraising pledged or purchased items, storing and insuring property, closing a loan, and other expenses, losses, and incidental costs associated with servicing loans. Such a fee when made and collected shall not be considered interest for any purpose.~~ 210
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(C) A licensee who complies with the requirements or procedures of this state pursuant to the application of the "Brady Handgun Violence Protection Act," 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 may charge no more than two dollars for providing services in compliance with such requirements or procedures. 219
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(D) No licensee shall directly or indirectly charge, receive, or contract for any interest or fees greater than that allowed by divisions (A), (B), and (C) of this section. 227
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(E) 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. 230
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Sec. 4727.061. A person licensed as a pawnbroker shall waive 235
any unpaid interest charges imposed under section 4727.06 of the 236
Revised Code and hold, except as provided in section 4727.12 of 237
the Revised Code, pledged property that is the subject of a pawn 238
transaction on the licensee's business premises until sixty days 239
after the pledgor or the pledgor's spouse or dependent returns to 240
the United States if the licensee receives a copy of military 241
orders indicating that the pledgor, or pledgor's spouse or 242
dependent, is a member of the United States armed forces or in the 243
military service of a state and, after the pawn transaction was 244
entered into, the person was or is to be deployed for service 245
relating to a military conflict. 246

Sec. 4727.07. Every pawnbroker shall give to the pledgor or 247
seller a statement upon which shall be legibly written in ink, 248
printed, or typed, the name and address of the licensee making the 249
loan or purchase, the amount of the loan or purchase price, the 250
rate of interest, the time and date when the loan is made, or 251
goods sold, and the date when payable; and also shall give the 252
pledgor a receipt for each payment of principal, storage charge, 253
or interest. All moneys received for any loan shall first be 254
applied to any interest and storage charge on a loan, and any 255
remaining moneys shall then be applied to the amount of unpaid 256
principal of the loan existing on the date on which the moneys are 257
received. The statement also shall contain a full and accurate 258
description of the articles pledged or sold, including any serial 259
and model numbers or identifying marks thereon. In the case of 260
pawn loans, the statement shall contain a full disclosure of all 261
charges for storage, and on the back of the receipt shall be 262
printed in type a copy of section 4727.06 of the Revised Code. The 263
licensee shall retain a copy of the statement for two years from 264
the date of the last entry of the loan or purchase account. Every 265

statement shall be numbered and maintained consecutively, 266
commencing with the number "one," but the licensee may maintain 267
statements in ~~an active and inactive file~~ separate files. 268

Sec. 4727.08. (A) Every person licensed as a pawnbroker shall 269
keep and use separate pawn forms and purchase forms to be approved 270
by the superintendent of financial institutions. 271

(B)(1) The licensee shall record on the appropriate form for 272
each pawn or purchase all of the following information: 273

~~(1)~~(a) The date and time of the pledging or purchasing; 274

~~(2)~~(b) The amount of the loan or the purchase price; 275

~~(3)~~(c) The rate of interest and the charges to be paid on the 276
loan; 277

~~(4)~~(d) The time within which the pledgor is to redeem the 278
pledged property; 279

~~(5)~~(e) The name, age, and address of the pledgor or seller; 280

~~(6)~~(f) A driver's license number, military identification 281
number, or other personal identification number; 282

~~(7)~~(g) A physical description of the pledgor or seller; 283

~~(8)~~(h) An accurate description of the pledged or purchased 284
property, including the name of the manufacturer, any serial and 285
model numbers, any identifying features, and any identifying 286
letters or marks; 287

~~(9)~~(i) Any other disclosures required by federal law; 288

(j) The name of the licensee, and if applicable, the employee 289
identification number of the employee involved in the transaction. 290

(2) A licensee shall include with or attach to the 291
appropriate form a photocopy or scanned image of the pledgor's or 292
seller's personal identification card. As used in division (B)(2) 293

of this section, "personal identification card" means a current 294
and valid driver's license, military identification card, state 295
identification card issued under sections 4507.50 to 4507.52 of 296
the Revised Code, or a state identification card issued by another 297
state on the condition that that card contains information 298
substantially similar to the information contained on a state 299
identification card issued under sections 4507.50 to 4507.52 of 300
the Revised Code and also contains a photograph of the person to 301
whom the card is issued. 302

(C) The licensee may record information on forms specific to 303
the following circumstances: 304

(1) New loans; 305

(2) Loan redemptions; 306

(3) Loan extensions; 307

(4) Partial payments on loans; 308

(5) Forfeited loans; 309

(6) Merchandise purchase receipts; 310

(7) Merchandise sales receipts; 311

(8) Lost ticket affidavits; 312

(9) Requested police copies not picked up by the appropriate 313
law enforcement agency; 314

(10) Other circumstances the licensee encounters. 315

(D) A copy of each form used in a pawn or purchase, including 316
statements retained pursuant to section 4727.07 of the Revised 317
Code, and all forms recorded and maintained in accordance with 318
this section, shall be kept at all times in numerical order by 319
transaction number in an active or inactive file separate files, 320
as appropriate, and the licensee shall account for all form 321
numbers. 322

~~(D)~~(E) The records and forms, at all times, shall be kept at 323
the licensed location and available for inspection by the 324
superintendent and by the chief of police of the municipal 325
corporation or township in which the licensee's place of business 326
is located or, if the place of business is not located within a 327
municipal corporation or a township that has a chief of police, by 328
the sheriff of the county in which the place of business is 329
located. Upon demand of any of them, the licensee shall produce 330
and show any records, forms, pledges, or purchases which are in 331
the licensee's possession. 332

~~(E)~~(F) Except in the case of a pledged motor vehicle, 333
watercraft, or outboard motor, the licensee shall keep all pledges 334
and purchases at the licensee's place of business unless a 335
pledgor, in writing, agrees otherwise at the time the pledge is 336
made. If the item pledged for the pawn loan is a motor vehicle, 337
watercraft, or outboard motor, the licensee shall take possession 338
of both the motor vehicle, watercraft, or outboard motor and the 339
certificate of title to the motor vehicle, watercraft, or outboard 340
motor and shall keep the certificate at the licensee's place of 341
business but, upon notification to the pledgor, may keep the motor 342
vehicle, watercraft, or outboard motor at a location other than 343
the licensee's place of business. No pledge shall be removed from 344
the place of business for the licensee's personal use or gain. 345

~~(F)~~(G) Every person licensed as a pawnbroker under this 346
chapter shall keep and use an intelligible set of books and 347
records in the English language in complying with this chapter 348
with respect to recording the details of each purchase or loan. 349
Except as provided in division ~~(J)~~(K) of this section, all 350
information required to be recorded by this chapter shall be 351
entered in a bound book or on loose-leaf, permanent forms used 352
exclusively for that purpose. Forms shall be identical and 353
consecutively numbered, and each shall contain two or more pages. 354

One part of each form shall be detachable and, when completed, 355
shall serve as the statement to be given by the licensee to the 356
pledgor or seller as provided by section 4727.07 of the Revised 357
Code, ~~the~~. The remaining part of the form shall be retained in the 358
licensee's permanent records. All forms shall be accounted for. 359

~~(G)~~(H) No licensee shall require a borrower to affix the 360
borrower's signature to a blank or partially filled out pawn form 361
or other record. 362

~~(H)~~(I) Every licensee shall preserve the licensee's books, 363
forms, accounts, and records for at least two years after making 364
the final entry regarding any purchase or pledge of property 365
recorded therein. 366

~~(I)~~(J) All pawn and purchase forms, legal notices, and 367
payment receipt forms shall reflect the name under which the 368
licensee is registered with the superintendent and the complete 369
address of the place of business. 370

~~(J)~~(K) Notwithstanding any other provision of this chapter, a 371
licensee may use other methods of recording data, keeping records, 372
and keeping books, such as electronic or computerized methods, in 373
lieu of the methods described in this section, provided written 374
printouts or hard copies of the required data are readily 375
available in a form approved, in advance, by the superintendent. 376

Sec. 4727.09. (A) A person licensed as a pawnbroker shall, 377
every day, furnish the following information to the chief of 378
police of the municipal corporation or township in which the 379
licensee's place of business is located or, if the place of 380
business is not located within a municipal corporation or a 381
township that has a chief of police, to the sheriff of the county 382
in which the place of business is located: 383

(1) A description of all property pledged with or purchased 384

by the licensee; 385

(2) The number of the pawn or purchase form the licensee used 386
to document the pledge or purchase; 387

(3) The name of the licensee, and if applicable, the employee 388
identification number of the employee involved in the transaction. 389

(B) A licensee shall provide the property description and 390
form number required by division (A) of this section on ~~the~~ a form 391
~~furnished by the law enforcement officer requesting the~~ 392
information approved by the superintendent of financial 393
institutions for the database reporting system described in 394
division (C) of this section. The completed form ~~may~~ shall be 395
communicated by electronic transfer or be in a ~~magnetic~~ digital 396
media format, unless the chief of police or sheriff requests a 397
paper copy of the approved form. 398

(1) No fee shall be assessed to a licensee, a pledgor, or a 399
seller for compliance with this division. 400

(2) If the form is communicated electronically pursuant to 401
this division, a licensee may notify a pledgor regarding 402
redemption of property as described in division (E) of section 403
4727.11 of the Revised Code. 404

(C) The superintendent shall approve a secure law enforcement 405
database reporting system for use by a licensee to make records 406
available to law enforcement officers as required under division 407
(B) of this section. All information submitted to the database 408
shall be purged two years from the date of the transaction. 409

(D) Except for the information collected pursuant to 410
divisions (A)(1) and (2) of this section, information furnished to 411
law enforcement officers by a licensee pursuant to division (B) of 412
this section is confidential and is not a public record under 413
section 149.43 of the Revised Code. 414

~~(C)~~(E) For the purposes of this section, a licensee need 415
provide only the information required by division (A) of this 416
section. 417

Sec. 4727.11. (A) ~~If~~ Except as provided in division (E) of 418
this section, if a pledgor fails to pay interest to a person 419
licensed as a pawnbroker on a pawn loan for two months from the 420
date of the loan or the date on which the last interest payment is 421
due, the licensee shall notify the pledgor by mail, with proof of 422
mailing, to the last place of address given by the pledgor, or by 423
electronic communication, if the pledgor agrees to such 424
communication at the time the loan is made, to the electronic mail 425
address given by the pledgor, that unless the pledgor redeems the 426
pledged property or pays all interest and fees due and storage 427
charges within thirty days from the date the notice is mailed or 428
electronically mailed, the pledged property shall be forfeited to 429
the licensee. If the pledgor fails to redeem or pay all interest 430
and fees due and storage charges within the period specified in 431
the notice, the licensee becomes the owner of the pledged 432
property. 433

(B) In the event that any article or property is redeemed by 434
a person other than the pledgor, the pledgor shall sign the 435
pledgor's copy of the statement required under section 4727.07 of 436
the Revised Code, which copy shall be presented by the person to 437
the licensee. The licensee shall verify the name of the person 438
redeeming the article or property, and shall record the person's 439
name and driver's license number, or other personal identification 440
number, on the licensee's copy of the statement, and shall require 441
the person to sign this copy. 442

(C) In the event that any articles or property pledged are 443
lost or rendered inoperable due to negligence of the licensee, the 444
licensee shall replace the articles or property with identical 445

articles or property, except that if the licensee cannot 446
reasonably obtain identical articles or property, the licensee 447
shall replace the articles or property with like articles or 448
property. 449

(D) When an account is paid in full, the licensee shall 450
return the pledged article immediately to the pledgor. In the 451
event the pledgor sells, transfers, or assigns the pledge, the 452
licensee shall verify the name of the person redeeming the pledge 453
and record that person's name, driver's license number, and 454
signature on the permanent copy of the statement of pledge 455
required pursuant to section 4727.07 of the Revised Code. The 456
licensee also shall obtain the signature of the pledgor, or other 457
person redeeming the pledge, ~~upon a separate record of the~~ 458
~~transaction,~~ that acknowledges the total dollar amount paid for 459
redemption and the date of redemption. All records shall be kept 460
in the licensee's place of business. 461

(E) If a licensee electronically files the information 462
required by division (A) of section 4727.09 of the Revised Code 463
pursuant to division (B) of that section, the licensee may notify, 464
in accordance with division (A) of this section, a pledgor who 465
fails to pay interest on a pawn loan for one month from the date 466
of the loan or the date on which the last interest payment is due. 467

Sec. 4727.12. (A) A person licensed as a pawnbroker shall 468
retain any and all goods or articles pledged with the licensee 469
until the expiration of seventy-two hours after the pledge is 470
made, and shall retain any goods or articles purchased by the 471
licensee until the expiration of ~~fifteen~~ thirty days after the 472
purchase is made. The licensee may dispose of such goods or 473
articles sooner with the written permission of the chief of police 474
of the municipal corporation or township in which the licensee's 475
place of business is located or, if the place of business is not 476

located within a municipal corporation or township that has a 477
chief of police, with the written permission of the sheriff of the 478
county in which the business is located. 479

(B) If the chief of police or sheriff to whom the licensee 480
makes available the information required by section 4727.09 of the 481
Revised Code has probable cause to believe that the article 482
described therein is stolen property, the chief or sheriff shall 483
notify the licensee in writing. Upon receipt of such a notice, the 484
licensee shall retain the article until the expiration of ~~thirty~~ 485
sixty days after the day on which the licensee is first required 486
to make available the information required by section 4727.09 of 487
the Revised Code, unless the chief or sheriff notifies the 488
licensee in writing that the licensee is not required to retain 489
the article until such expiration. 490

(C) If the chief or sheriff receives a report that property 491
has been stolen and determines the identity of the true owner of 492
the allegedly stolen property that has been purchased or pawned 493
and is held by a licensee, and informs the licensee of the true 494
owner's identity, and if the true owner fully cooperates with the 495
prosecution of an action against the pledgor or seller, the 496
licensee ~~may~~ shall restore the allegedly stolen property to the 497
true owner directly. If the true owner does not wish to cooperate 498
with the prosecution of the pledgor or seller, the licensee shall 499
be required to restore the allegedly stolen property to the true 500
owner only upon receipt from the true owner of an amount equal to 501
the amount the licensee paid for or loaned on the allegedly stolen 502
property plus interest and fees provided in section 4727.06 of the 503
Revised Code. 504

If a licensee fails to restore the allegedly stolen property, 505
the true owner may recover the property from the licensee in an 506
action at law. 507

(D) If the licensee returns the allegedly stolen property to the true owner, and if the licensee does not receive payment from the true owner as described in division (C) of this section, the licensee may charge the person who pledged or sold the allegedly stolen property to 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)(1) The superintendent of financial institutions shall adopt rules in accordance with Chapter 119. of the Revised Code for the administration and enforcement of this chapter.

(2) The superintendent may adopt rules that allow for remote examinations of electronic data held by a person licensed as a pawnbroker under this chapter.

(3) The superintendent may adopt rules describing the data to be used in a secure law enforcement database reporting system for use by a licensee to make records available to law enforcement officers as required under division (B) of section 4727.09 of the Revised Code.

(B) The superintendent shall enforce 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 539
violated, is currently violating, or is about to violate this 540
chapter. The superintendent may apply to a court of common pleas 541
for an order compelling a person to comply with any cease and 542
desist order or any subpoena issued by the superintendent. 543

(D) The superintendent may obtain from the court of common 544
pleas any form of injunctive relief against any person that has 545
violated, is currently violating, or is about to violate this 546
chapter. 547

(E) To enforce this chapter, the superintendent may issue a 548
subpoena to any person to compel the production of any item, 549
record, or writing, including an electronic writing, and may issue 550
a subpoena to any person to compel the appearance and rendering of 551
testimony. 552

(F) The superintendent may examine and investigate the 553
business, including the business location and any books, records, 554
writings, including electronic writings, safes, files, or storage 555
areas located in or utilized by the business location, of any 556
person the superintendent reasonably suspects to be advertising, 557
transacting, or soliciting business as a pawnbroker. The 558
superintendent may request the attendance and assistance of the 559
appropriate chief of police of a municipal corporation or 560
township, the county sheriff, or the state highway patrol during 561
the examination and investigation of the business. 562

(G) The superintendent may adopt rules that require a 563
licensee to file a biennial report with the superintendent before 564
the first day of March of the filing year disclosing all relevant 565
pawn transaction activity occurring during the previous two 566
calendar years. 567

(1) If the superintendent requires a licensee to file a 568
biennial report, the biennial report must provide all of the 569

<u>following:</u>	570
<u>(a) The number of pawn transactions made by the licensee</u>	571
<u>during the previous calendar year and the aggregate amount</u>	572
<u>financed on the pawn transactions;</u>	573
<u>(b) The number of pledged property items redeemed during the</u>	574
<u>previous calendar year and the amount financed on the redeemed</u>	575
<u>property;</u>	576
<u>(c) The number of items surrendered to law enforcement;</u>	577
<u>(d) The total dollar amount of pawn loans surrendered to law</u>	578
<u>enforcement;</u>	579
<u>(e) The number of pawn loans that were not redeemed;</u>	580
<u>(f) The total dollar amount of pawn loans not redeemed;</u>	581
<u>(g) The total number of full-time equivalent employees at the</u>	582
<u>pawnshop as of the last day of December of the preceding year.</u>	583
<u>(2) Information furnished to the superintendent by a licensee</u>	584
<u>pursuant to this section is confidential and is not a public</u>	585
<u>record under section 149.43 of the Revised Code, except that the</u>	586
<u>superintendent may furnish a report containing aggregate numbers</u>	587
<u>from all licensees. The aggregate report shall be a public record.</u>	588
Sec. 4727.20. (A) No person licensed as a pawnbroker under	589
this chapter shall conduct business in this state, unless the	590
licensee does either of the following:	591
(1) Maintains liquid assets in a minimum amount of fifty <u>one</u>	592
<u>hundred</u> thousand dollars;	593
(2) Obtains a surety bond issued by a bonding company or	594
insurance company authorized to do business in this state. The	595
bond shall be in favor of the superintendent of financial	596
institutions and in the penal sum of at least twenty-five <u>one</u>	597
<u>hundred</u> thousand dollars. The licensee shall file a copy of the	598

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. 631

(E) The licensee shall not cancel the surety bond except upon 632
notice to the superintendent by certified mail, return receipt 633
requested. The cancellation is not effective prior to thirty days 634
after the superintendent receives the notice. 635

(F) No licensee shall fail to comply with this section. 636

Sec. 4727.23. (A) If property in the possession of a person 637
licensed as a pawnbroker was leased from a lessor to a pledgor or 638
seller when the pledgor or seller pledged or sold the property to 639
the licensee, but the property did not have a permanent label or 640
other conspicuous mark identifying it as the lessor's property, 641
the licensee shall return the property to the lessor if the lessor 642
does both of the following: 643

(1) Provides the licensee with evidence that the property is 644
the lessor's property and was leased to the pledgor or seller at 645
the time the property was pledged or sold to the licensee; 646

(2) Pays the licensee either of the following: 647

(a) The amount financed and the finance fee for the pawn 648
transaction, if the property was pledged to the licensee; 649

(b) The amount that the licensee paid the seller if the 650
property was sold to the licensee. 651

(B) A licensee is not liable to the pledgor or seller of 652
property that is recovered by a lessor under division (A) of this 653
section for returning the property to a lessor. 654

Sec. 4727.99. (A) Whoever violates sections 4727.03 to 655
~~4727.21~~ 4727.23 of the Revised Code is guilty of a misdemeanor of 656
the third degree on a first offense and a misdemeanor of the 657
second degree on each subsequent offense. 658

(B) Whoever violates section 4727.02 of the Revised Code is 659

guilty of a felony of the fifth degree. 660

Section 2. That existing sections 4505.102, 4727.03, 4727.06, 661
4727.07, 4727.08, 4727.09, 4727.11, 4727.12, 4727.13, 4727.20, and 662
4727.99 of the Revised Code are hereby repealed. 663