

SHORT TITLE: Pawnshops; adding requirement for licensure; requiring Administrator of Department of Consumer Credit determine need; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

SENATE BILL NO. 220

By: Hooper

AS INTRODUCED

An Act relating to pawnshops; amending 59 O.S. 1991, Sections 1503A and 1505, which relate to licensure of pawnshops; adding requirement for licensure; requiring Administrator of Department of Consumer Credit determine need; requiring certain notice; providing for written protest and certain hearing; stating factors which Administrator may consider in determination of need; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 1991, Section 1503A, is amended to read as follows:

Section 1503A. A. To be eligible for a pawnshop license, an applicant shall:

1. Be of good moral character;
2. Have net assets of at least Twenty-five Thousand Dollars (\$25,000.00); ~~and~~
3. Show that the pawnshop will be operated lawfully and fairly within the purpose of the Oklahoma Pawnshop Act, Section 1501 et seq. of Title 59 of the Oklahoma Statutes; and
4. Show that there is a need for the pawnshop in the community in which it will be located.

B. The Administrator shall find ineligible an applicant who has a felony conviction which directly relates to the duties and responsibilities of the occupation of pawnbroker.

C. If the Administrator is unable to verify that the applicant meets the net assets requirement for a pawnshop license, the Administrator may require a finding, including the presentation of a current balance sheet, by an accounting firm or individual holding a permit to practice public accounting in this state, that the accountant has reviewed the books and records of the applicant and that the applicant meets the net assets requirement.

SECTION 2. AMENDATORY 59 O.S. 1991, Section 1505, is amended to read as follows:

Section 1505. A. Upon the filing of an application and bond and payment of the annual license fee of One Hundred Dollars (\$100.00) and an investigation fee of One Hundred Twenty-five Dollars (\$125.00), the Administrator shall conduct an investigation. If he finds that ~~the~~:

1. The financial responsibility, experience, character and general fitness of the applicant are such as to warrant belief that the business will be operated lawfully and fairly, within the purposes of Section 1501 et seq. of this title,~~and the;~~

2. The applicant meets the eligibility requirements of Section 7 1503A of this act, title; and

3. There is a need for the pawnshop in the community as determined pursuant to Section 3 of this act,

he shall grant the application and issue to the applicant a license which will evidence his authority to do business under the provisions of Section 1501 et seq. of this title. Provided, that if a license is granted pursuant to an application filed after June 30 of any year the license fee for the balance of such year shall be Fifty Dollars (\$50.00).

B. If the Administrator does not so find facts sufficient to warrant issuance of a license, he shall notify the applicant. If within thirty (30) days of such notification the applicant requests a hearing on the application, a hearing shall be held within sixty (60) days after the date of the request. In the event of the denial of a license, the investigation fee shall be retained by the Administrator, but the annual license fee shall be returned to the applicant.

C. The Administrator shall grant or deny each application for license within sixty (60) days from its filing with the required fees, or from ~~the~~ a hearing thereon, if any, unless the period is extended by written agreement between the applicant and the Administrator.

D. No license to engage in the business of a pawnbroker shall be issued for any location where a license has been issued and is in effect under the provisions of Section 3-501 et seq. of Title 14A of the Oklahoma Statutes. The word "location" as used in this subsection means the entire space in which a Title 14A licensee conducts business. No pawnshop may be connected with any location in which a Title 14A licensee conducts business, except by a passageway to which the public is not admitted.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1505.1 of Title 59, unless there is created a duplication in numbering, reads as follows:

A. Within five (5) days after filing the application and fees required pursuant to Section 1505 of Title 59 of the Oklahoma Statutes, the applicant shall mail a notice of the application by registered mail to each pawnshop within a twenty-mile radius of the location of the proposed pawnshop and such other lenders within said area as required by the Administrator of the Department of Consumer Credit. Within fifteen (15) days of receiving the notice, the recipient of the notice may file a written protest with the

Administrator, setting forth objections relating to the need for the pawnshop in the community.

B. Upon receipt of a written protest or upon his own motion, the Administrator may order a hearing to determine the need for the pawnshop in the community. If the Administrator determines that the facts do not warrant the establishment of the pawnshop in the community, he shall notify the applicant pursuant to subsection B of Section 1505 of Title 59 of the Oklahoma Statutes.

C. In assessing the need for the pawnshop in a community, the Administrator may give consideration to the following in arriving at his findings:

1. The adequacy of services provided by existing pawn and lending facilities in the community;

2. The economic and competitive conditions in the community;
and

3. Whether establishment of the pawnshop is in the public interest.

SECTION 4. This act shall become effective September 1, 1993.

44-1-0619

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