

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 569

By: Yen

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5
6 AS INTRODUCED

7 An Act relating to pawnbrokers and precious metal
8 dealers; amending 59 O.S. 2011, Sections 1502, 1508,
9 1509, 1511, 1515, as amended by Section 1, Chapter
10 35, O.S.L. 2016, 1530 and 1531, as last amended by
11 Sections 1 and 2, Chapter 322, O.S.L. 2015 (59 O.S.L.
12 2016, Sections 1515, 1530 and 1531), which relate to
13 pawn and gem dealer transactions; adding definitions;
14 requiring digital photograph of certain property and
15 persons; modifying language; prohibiting certain
16 alteration of property before certain time period;
17 expanding time for certain retention of property;
18 requiring retention of property exact form as
19 presented in transaction; providing exceptions;
20 prohibiting certain dual licensing; and providing an
21 effective date.

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

23 SECTION 1. AMENDATORY 59 O.S. 2011, Section 1502, is
24 amended to read as follows:

Section 1502. As used in this act:

1. "Administrator" means the Administrator of Consumer Affairs
25 defined in the Uniform Consumer Credit Code; i

2. "Month" means that period of time from one date in a
26 calendar month to the corresponding date in the following calendar

1 month, but if there is no such corresponding date, then the last day
2 of such following month, and when computations are made for a
3 fraction of a month, a day shall be one-thirtieth (1/30) of a month-
4 ;

5 3. "Pawnbroker" means a person engaged in the business of
6 making pawn transactions- ;

7 4. "Pawn finance charge" means the sum of all charges, payable
8 directly or indirectly by the customer and imposed directly or
9 indirectly by the pawnbroker as an incident to the pawn transaction.

10 5. "Pawnshop" means the location at which or premises in which a
11 pawnbroker regularly conducts business- ;

12 6. "Pawn transaction" means the act of lending money on the
13 security of pledged goods or the act of purchasing tangible personal
14 property on condition that it may be redeemed or repurchased by the
15 seller for a fixed price within a fixed period of time- ;

16 7. "Person" means an individual, partnership, corporation,
17 joint venture, trust, association or any other legal entity however
18 organized- ;

19 8. "Pledged goods" means tangible personal property other than
20 choses in action, securities or printed evidences of indebtedness,
21 which property is deposited with or otherwise actually delivered
22 into the possession of a pawnbroker in the course of his business in
23 connection with a pawn transaction;

24

1 9. "Crafted precious metal" means jewelry, silverware, an art
2 object, or another object made wholly or partly from precious metal
3 or gem, other than a coin, a bar, a commemorative medallion, or a
4 scrap or a broken item selling at five percent (5%) or more than the
5 scrap value of the item;

6 10. "Precious metal" means gold, silver, platinum, palladium,
7 iridium, rhodium, osmium, ruthenium or any alloy of such metals;

8 11. "Gem" means any precious or semiprecious stone or item
9 containing a precious or semiprecious stone customarily used in
10 jewelry or ornamentation; and

11 12. "Scrap value" means the value at which an item would be
12 purchased by a person who will melt the item or otherwise transform
13 it so that it will not be used for its original purpose or design.

14 SECTION 2. AMENDATORY 59 O.S. 2011, Section 1508, is
15 amended to read as follows:

16 Section 1508. A. At such times as the Administrator of
17 Consumer Credit may deem necessary, the Administrator or a duly
18 authorized representative of the Administrator may make an
19 examination of the place of business of each licensee and may
20 inquire into and examine the transactions, books, accounts, papers,
21 correspondence and records of such licensee insofar as they pertain
22 to the business regulated by the Oklahoma Pawnshop Act. Such books,
23 accounts, papers, correspondence, records and property taken,
24 purchased or received shall also be open for inspection at any

1 reasonable time to federal law enforcement officials and the chief
2 of police, district attorney, sheriff or written designee of the law
3 enforcement body in whose jurisdiction the pawnshop is located,
4 without any need of judicial writ or other process. In the course
5 of an examination, the Administrator or duly authorized
6 representative or any authorized peace officer shall have free
7 access to the office, place of business, files, safes and vaults of
8 such licensee, and shall have the right to make copies of any books,
9 accounts, papers, correspondence and records insofar as they pertain
10 to the business regulated by the Oklahoma Pawnshop Act. The
11 Administrator or duly authorized representative may, during the
12 course of such examination, administer oaths and examine any person
13 under oath upon any subject pertinent to any matter about which the
14 Administrator is authorized or required by the Oklahoma Pawnshop Act
15 to consider, investigate or secure information. Any licensee who
16 fails or refuses to permit the Administrator or duly authorized
17 representative or any authorized peace officer to examine or make
18 copies of such books or other relevant documents shall thereby be
19 deemed in violation of the Oklahoma Pawnshop Act and such failure or
20 refusal shall constitute grounds for the suspension or revocation of
21 such license. The information obtained in the course of any
22 examination or inspection shall be confidential, except in civil or
23 administrative proceedings conducted by the Administrator, or
24 criminal proceedings instituted by the state or its political

1 subdivisions. Each licensee shall pay to the Administrator an
2 examination fee. The Administrator may require payment of an
3 examination fee either at the time of initial application, renewal
4 of the license, or after an examination has been conducted.

5 B. Whenever a peace officer has probable cause to believe that
6 property in possession of a licensed pawnbroker is stolen or
7 embezzled, the peace officer of the local law enforcement agency of
8 the municipality or other political subdivision in which the
9 pawnshop resides may place a written hold order on the property.
10 The initial term of the written hold order shall not exceed thirty
11 (30) days. However, the holding period may be extended in
12 successive thirty (30) day increments upon written notification
13 prior to the expiration of the initial holding period. If the
14 holding period has expired and has not been extended, the hold order
15 shall be considered expired and no longer in effect, and title shall
16 vest in the pawnbroker subject to any restrictions contained in the
17 pawn contract. The initial written hold order shall contain the
18 following information:

- 19 1. Signature of the pawnbroker or designee;
- 20 2. Name, title and identification number of the peace officer
21 placing the hold order;
- 22 3. Name and address of the agency to which the peace officer is
23 attached and the offense number;

24

1 4. Complete description of the property to be held, including a
2 digital photograph of the property, model number, serial number and
3 transaction number;

4 5. Name of agency reporting the property to be stolen or
5 embezzled;

6 6. Mailing address of the pawnshop where the property is held;

7 7. Expiration date of the holding period.

8 C. While a hold order is in effect, the pawnbroker may consent
9 to release, upon written receipt, the stolen or embezzled property
10 to the custody of the local law enforcement agency to which the
11 peace officer placing the hold order is attached. The consent to
12 release the stolen or embezzled property to the custody of law
13 enforcement is not a waiver or release of the pawnbroker's property
14 rights or interest in the property. Otherwise, the pawnbroker shall
15 not release or in any way sell, melt, deface, dismantle, alter or
16 dispose of the property except pursuant to a court order or the
17 expiration of the holding period including all extensions. The
18 district attorney's office shall notify the pawnbroker in writing in
19 cases where criminal charges have been filed that the property may
20 be needed as evidence. The notice shall contain the case number,
21 the style of the case, and a description of the property. The
22 pawnbroker shall hold such property until receiving notice of the
23 disposition of the case from the district attorney's office. The
24 district attorney's office shall notify the pawnbroker in writing

1 within fifteen (15) days of the disposition of the case. Willful
2 noncompliance of a pawnbroker to a written hold order shall be cause
3 for the pawnbroker's license to either be suspended or revoked
4 pursuant to paragraph 2 of subsection A B of Section 1507 of this
5 title. A hold order may be released prior to the expiration of any
6 thirty-day holding period by written release from the agency placing
7 the initial hold order.

8 D. For the purpose of discovering violations of the Oklahoma
9 Pawnshop Act or of securing information required hereunder, the
10 Administrator or duly authorized representative may investigate the
11 books, accounts, papers, correspondence and records of any licensee
12 or other person who the Administrator has reasonable cause to
13 believe is violating any provision of the Oklahoma Pawnshop Act
14 whether or not such person shall claim to be within the authority or
15 scope of the Oklahoma Pawnshop Act. For the purpose of this
16 section, any person who advertises for, solicits or holds himself
17 out as willing to make pawn transactions, shall be presumed to be a
18 pawnbroker.

19 E. Each licensee shall keep or make available in this state
20 such books and records relating to pawn transactions made under the
21 Oklahoma Pawnshop Act as are necessary to enable the Administrator
22 to determine whether the licensee is complying with the Oklahoma
23 Pawnshop Act. Such books and records shall be consistent with
24 accepted accounting practices.

1 F. Each licensee shall preserve or make available such books
2 and records in this state relating to each of its pawn transactions
3 for four (4) years from the date of the transaction, or two (2)
4 years from the date of the final entry made thereon, whichever is
5 later. Each licensee's system of records shall be accepted if it
6 discloses such information as may be reasonably required under the
7 Oklahoma Pawnshop Act. All agreements signed by customers shall be
8 kept at an office in this state designated by the licensee, except
9 when transferred under an agreement which gives the Administrator
10 access thereto. All credit sales made by a pawnbroker, other than
11 those sales defined in paragraph 6 of Section 1502 of this title, as
12 a pawn transaction, shall be made in accordance with and subject to
13 the provisions of Title 14A of the Oklahoma Statutes.

14 G. Each licensee shall, annually on or before the first day of
15 May or other date thereafter fixed by the Administrator, file a
16 report with the Administrator setting forth such relevant
17 information as the Administrator may reasonably require concerning
18 the business and operations during the preceding calendar year for
19 each licensed place of business conducted by such licensee within
20 the state. Such report shall be made under oath and shall be in the
21 form prescribed by the Administrator, who may make and publish
22 annually a consolidated analysis and recapitulation of such reports,
23 but the individual reports shall be held confidential.

24

1 H. The Administrator may promulgate rules necessary for the
2 enforcement of the Oklahoma Pawnshop Act consistent with all its
3 provisions. Before making such a rule relating to the licensees
4 subject to the Oklahoma Pawnshop Act, the Administrator shall give
5 each licensee at least thirty (30) days' written notice of a public
6 hearing, stating the time and place thereof and the terms or
7 substance of the proposed regulation. At the hearing, any licensee
8 or other person may be heard and may introduce evidence, data or
9 arguments or place the same on file. The Administrator, after
10 consideration of all relevant matters presented, shall adopt and
11 promulgate every rule in written form, stating the date of adoption
12 and date of promulgation. Each such rule shall be entered in a
13 permanent record book which shall be public record and be kept in
14 the Administrator's office. A copy of every rule shall be mailed to
15 each licensee, and no such rule shall become effective until the
16 expiration of at least twenty (20) days after such mailing. On the
17 application of any person and payment of the cost thereof, the
18 Administrator shall furnish such person a certified copy of such
19 rule.

20 I. Except as otherwise expressly provided in the Oklahoma
21 Pawnshop Act, the Administrative Procedures Act, ~~Section 251 et seq.~~
22 ~~and 301 et seq. of Title 75 of the Oklahoma Statutes,~~ applies to and
23 governs all administrative actions and civil proceedings taken by
24 the Administrator pursuant to the Oklahoma Pawnshop Act.

1 SECTION 3. AMENDATORY 59 O.S. 2011, Section 1509, is
2 amended to read as follows:

3 Section 1509. A. General Disclosure Requirements. 1. All
4 disclosures required by ~~this act~~ the Oklahoma Pawnshop Act shall be
5 made in accordance with the regulations of the Administrator and, in
6 addition, such disclosures as applicable:

- 7 a. shall be made clearly and conspicuously~~†~~
- 8 b. shall be in writing, a copy of which shall be
9 delivered to the customer~~†~~
- 10 c. may be supplemented by additional information or
11 explanations supplied by the pawnbroker~~†~~
- 12 d. need be made only to the extent applicable and only as
13 to those items for which the pawnbroker makes a
14 separate charge to the customer~~†~~ and
- 15 e. shall comply with this section although rendered
16 inaccurate by any act, occurrence or agreement
17 subsequent to the required disclosure.

18 2. The disclosures required by this section shall be made
19 before credit is extended, but may be made in the pawn transaction,
20 refinancing or consolidation agreement, or other evidence of the
21 pawn transaction agreement to be signed by the customer if set forth
22 conspicuously therein, and need be made only to one customer if
23 there is more than one.

24

1 3. If any evidence of the pawn transaction agreement is signed
2 by the customer, the pawnbroker shall give him or her a copy when
3 the writing is signed.

4 4. Except as provided with respect to civil liability for
5 violations of disclosure provisions, written acknowledgment of
6 receipt by a customer to whom a statement is required to be given
7 pursuant to this section:

8 a. in an action or proceeding by or against the original
9 pawnbroker, creates a presumption that the statement
10 was given; and

11 b. in an action or proceeding by or against an assignee
12 without knowledge to the contrary when he acquires the
13 obligation, is conclusive proof of the delivery of the
14 statement and, unless the violation is apparent on the
15 face of the statement, of compliance with this act.

16 5. Where the terms "finance charge" and "annual percentage
17 rate" are required to be used, they shall be printed more
18 conspicuously than other terminology required by this act. All
19 numerical amounts and percentages shall be stated in figures and
20 shall be printed in not less than the equivalent of ten point type,
21 .075-inch computer type, or elite size typewritten numerals, or
22 shall be legibly handwritten.

23 B. Calculation of Rate to be Disclosed. 1. If a pawnbroker is
24 required to give to a customer a statement of the rate of the pawn

1 finance charge, he shall state the rate in terms of an annual
2 percentage rate calculated according to the actuarial method
3 designated as "annual percentage rate" with respect to a pawn
4 transaction, which is the quotient expressed as a percentage of the
5 total pawn finance charge for the period to which it relates divided
6 by the amount financed, multiplied by the number of these periods in
7 a year.

8 2. A statement of rate complies with this act if it does not
9 vary from the accurately computed rate by more than one quarter of
10 one percent (1/4 of 1%) for a pawn transaction.

11 C. Overstatement. The disclosure of an amount or percentage
12 which is greater than the amount or percentage required to be
13 disclosed under this act does not in itself constitute a violation
14 of this act if the overstatement is not materially misleading and is
15 not used to avoid meaningful disclosure.

16 D. Specific Disclosure Provisions. ~~1.~~ The pawnbroker shall
17 give the customer the following information:

- 18 a. the name and address of the pawnbroker ~~†~~
19 b. the name and address of the customer and the
20 customer's description or the distinctive number from
21 customer's driver's license or military
22 identification ~~†~~
23 c. the date of the transaction ~~†~~
24

- 1 d. the net amount paid to, receivable by, or paid or
2 payable for the account of the customer, designated as
3 "amount financed"~~†~~
- 4 e. the amount of the pawn finance charge, designated as
5 "finance charge"~~†~~
- 6 f. the rate of the pawn finance charge as applied to the
7 amount financed, in accordance with the provisions on
8 calculation of rate in ~~Section 9~~, subsection B, of
9 this ~~act~~ section designated as "annual percentage
10 rate"~~†~~
- 11 g. the total amount which must be paid to redeem the
12 pledged goods on the maturity date, designated as the
13 "total of payments"~~†~~
- 14 h. an identification of the property to which any
15 security interest held or to be retained or acquired
16 relates, and shall include serial numbers if
17 reasonably available or a digital photo of the
18 property which shall be retained in the pawnbroker's
19 records~~†~~
- 20 i. the maturity date of the pawn transaction~~†~~ and
21 j. a statement to the effect that the customer is not
22 obligated to redeem the pledged goods, and that the
23 pledged goods may be forfeited to the pawnbroker
24 thirty (30) days after the specified maturity date,

1 provided that the pledged goods may be redeemed by the
2 customer within thirty (30) days following the
3 maturity date of the pawn transaction by payment of
4 the originally agreed redemption price and the payment
5 of an additional pawn finance charge equal to one-
6 thirtieth (1/30) of the original monthly pawn finance
7 charge for each day following the original maturity
8 date including the day on which the pledged goods are
9 finally redeemed.

10 E. Consolidation. If the parties to a pawn transaction or
11 consumer credit sale agree to a consolidation, the pawnbroker shall
12 give to the customer the information required with respect to pawn
13 transaction provisions. That portion of the pawn finance charge
14 earned at the time of consolidation shall be no greater than one-
15 thirtieth (1/30) of the pawn finance charge for each elapsed day
16 from the date of the transaction. The amount with respect to the
17 previous transaction or sale to be consolidated shall be separately
18 stated and shall be added to the net amount paid to, receivable by,
19 or paid or payable for the account of the customer in connection
20 with the subsequent transaction.

21 F. Advertising. 1. No pawnbroker shall engage in this state
22 in false or misleading advertising concerning the terms or
23 conditions of credit with respect to a pawn transaction.
24

1 2. Without limiting the generality of ~~subsection~~ paragraph 1 of
2 this ~~section~~ subsection an advertisement with respect to a pawn
3 transaction made by the posting of a public sign, or by catalog,
4 magazine, newspaper, radio, television or similar mass media, is
5 misleading if:

6 a. it states the rate of the pawn finance charge and the
7 rate is not stated in the form required by the
8 provisions on calculation of rate to be disclosed; ~~r~~ L
9 or

10 b. it states the dollar amounts of the pawn finance
11 charge and does not also state the rate of any pawn
12 finance charge.

13 3. In this section a catalog or other multiple-page
14 advertisement is considered a single advertisement if it clearly and
15 conspicuously displays a credit terms table setting forth the
16 information required by this section.

17 4. This section imposes no liability on the owner or personnel,
18 as such, of any medium in which an advertisement appears or through
19 which it is disseminated.

20 5. Advertising which complies with the Federal Consumer Credit
21 Protection Act does not violate ~~subsection~~ paragraph 2 of this
22 ~~section~~ subsection.

23 SECTION 4. AMENDATORY 59 O.S. 2011, Section 1511, is
24 amended to read as follows:

1 Section 1511. A. Multiple Agreements. No pawnbroker shall
2 separate or divide a pawn transaction into two or more transactions
3 for the purpose or with the effect of obtaining a total pawn finance
4 charge in excess of that authorized for an amount equal to the total
5 of the amounts financed in the resulting transactions.

6 B. Customer's Personal Liabilities Prohibited. Even though a
7 pawn transaction subject to Section 1501 et seq. of this title
8 creates a debtor-creditor relationship, no pawnbroker shall make any
9 agreement requiring the personal liability of a customer in
10 connection with a pawn transaction, and no customer shall have an
11 obligation to redeem pledged goods or make any payment on a pawn
12 transaction. The only recourse of a pawnbroker where the customer
13 has pledged goods shall be to the pledged goods themselves, unless
14 the pledged goods are found to be stolen, embezzled, mortgaged or
15 otherwise pledged or encumbered. Upon the customer being officially
16 notified by a peace officer that the goods he or she pledged or sold
17 to a pawnbroker were stolen or embezzled, the customer shall be
18 liable to repay the pawnbroker the full amount the customer received
19 from the pawn or buy transaction. Any pledged goods not redeemed
20 within thirty (30) days following the last fixed maturity date may
21 thereafter, at the option of the pawnbroker, be forfeited and become
22 the property of the pawnbroker.

23 C. Prohibited Practices. A pawnbroker shall not:
24

- 1 1. Accept a pledge or purchase property from a person, male or
2 female, under the age of eighteen (18) years;
- 3 2. Accept any waiver, in writing or otherwise, of any right or
4 protection accorded a customer under this act;
- 5 3. Fail to exercise reasonable care to protect pledged goods
6 from loss or damage;
- 7 4. Fail to return pledged goods to a customer upon payment of
8 the full amount due the pawnbroker on the pawn transaction, unless a
9 hold order has been placed on the pledged goods by an authorized
10 peace officer or the pledged goods are in the custody of law
11 enforcement;
- 12 5. Make any charge for insurance in connection with a pawn
13 transaction, except as provided in subsection F of this section;
- 14 6. Enter any pawn transaction which has a maturity date more
15 than one (1) month after the date of the transaction; ~~or~~
- 16 7. Accept collateral or buy merchandise from a person unable to
17 supply verification of identity by photo I.D. by either a state-
18 issued identification card, driver's license or federal government-
19 issued identification card or by readable fingerprint of right or
20 left index finger on the back of the pawn or buy transaction copy to
21 be retained for the pawnbroker's record;
- 22 8. Fail to take and keep a digital photograph of the property
23 directly relating to the pawn or buy transaction and of the seller
24 or pledgor at the time of the transaction; or

1 9. Sell, dismantle, deface, melt or in any manner alter or
2 dispose or remove the property from the licensed premises during any
3 period before the maturity date of the transaction, any hold period
4 placed upon the property by a peace officer, or during any
5 restricted period to retain the property in its exact form as
6 provided by this act.

7 D. Presumption. Except as otherwise provided by this act, any
8 person properly identifying himself as the original customer in the
9 pawn transaction or as the assignee thereof, and presenting a pawn
10 transaction agreement to the pawnbroker shall be presumed to be
11 entitled to redeem the pledged goods described therein.

12 E. Lost or Destroyed Transaction Agreement. If the pawn
13 transaction agreement is lost, destroyed or stolen, the customer may
14 so notify the pawnbroker in writing, and receipt of such notice
15 shall invalidate such pawn transaction agreement, if the pledged
16 goods have not previously been redeemed. Before delivering the
17 pledged goods or issuing a new pawn transaction agreement, the
18 pawnbroker may require the customer to make affidavit of the loss,
19 destruction or theft of the agreement.

20 F. Insurance. 1. A pawnbroker may offer insurance to a
21 customer at the time of the pawn transaction to provide coverage
22 during the pawn contract period for the declared value of the items
23 pawned. The purchase of insurance shall be at the option of the
24 customer.

1 2. A pawnbroker may not offer insurance coverage unless the
2 pawnbroker:

3 a. is licensed as a limited insurance representative for
4 the purpose of providing insurance coverage for pawned
5 merchandise, as required by Section 1424 of Title 36
6 of the Oklahoma Statutes,

7 b. has filed with the Administrator of the Department of
8 Consumer Credit a copy of the insurance policy which
9 shall have been issued by an insurer authorized by the
10 Insurance Commissioner to transact insurance in this
11 state, and

12 c. has posted a copy of the policy in a conspicuous place
13 which is readily available to the customer.

14 SECTION 5. AMENDATORY 59 O.S. 2011, Section 1515, as
15 amended by Section 1, Chapter 35, O.S.L. 2016 (59 O.S. Supp. 2016,
16 Section 1515), is amended to read as follows:

17 Section 1515. A. Any pawnbroker shall make available a copy or
18 report within two (2) days of any buy or pawn transaction to the
19 local law enforcement agency of the municipality or other political
20 subdivision in which the pawnshop is located; provided, merchandise
21 bought on invoice from a manufacturer or wholesaler with an
22 established place of business is exempt from this reporting
23 requirement. However, such invoice shall be shown upon request to
24 the Administrator or ~~his~~ a duly authorized representative or any

1 authorized peace officer. The pawnbroker may provide the
2 transaction report to the local law enforcement agency by either
3 electronically reporting the information in the transaction report
4 to an electronic database accessible only by law enforcement
5 agencies or by reporting a physical copy of the transaction report
6 directly to the law enforcement agency. The transaction report
7 shall include:

8 1. The name and address of the pawnshop;

9 2. The digital photograph taken at the time of the transaction
10 of the seller or pledger and the name, address, race, sex, weight,
11 height, eye color, date of birth and either identification number of
12 the buyer, seller or pledger as verified by either a state-issued
13 identification card, driver's license or federal government-issued
14 identification card ~~or~~ and by readable fingerprint of right or left
15 index finger on the back of the pawn or buy transaction copy to be
16 retained for the pawnbroker's record;

17 3. The transaction number for the buy or pawn transaction;

18 4. The date and time of the transaction;

19 5. The manufacturer of the item;

20 6. A detailed description of the item and a digital photograph
21 of the item or items subject to each transaction; and

22 7. The serial number and model number where available and any
23 other identifying markings, including a digital photograph of the
24 property.

1 B. Items bought, except on invoice from a manufacturer or
2 wholesaler with an established place of business, shall be held or
3 displayed at the pawnbroker's place of business for ~~ten (10)~~
4 fourteen (14) days before being dismantled, defaced, melted or in
5 any manner altered, transferred, disposed of or sold. During the
6 fourteen-day period, all items of property shall be stored or
7 displayed in the exact form received, and in a manner so to be
8 identifiable from the description entered in the record book. The
9 property shall not be kept so as to prevent or impede its
10 examination hereunder and shall be available for inspection by a
11 peace officer within twenty-four (24) hours of a peace officer's
12 request to inspect the property.

13 C. The pawnbroker shall obtain a written declaration of
14 ownership from the seller or pledgor on all buy and pawn
15 transactions, except refinance pawn transactions or merchandise
16 bought from a manufacturer or wholesaler with an established place
17 of business. The seller or pledgor shall be required to state how
18 long he or she has owned the property described in the transaction
19 and photograph taken at the time of the transaction. The
20 declaration of ownership shall appear on the bill of sale or pawn
21 ticket, to be completed by the seller or the pledgor at the time of
22 the transaction together with the seller's or pledgor's submitting
23 to a digital photograph and presentation of a matching photo
24 identification card as required by this act.

1 D. A pawnbroker or employees of the pawnbroker shall not sell,
2 transfer, melt, dismantle, deface, alter or in any manner modify or
3 dispose of crafted precious metal, gems, precious metal or scrap
4 metal, defined herein, received by the pawnbroker in a buy or pawn
5 transaction before the fifteenth day after the required report is
6 filed with the local peace officer, unless:

7 1. The peace officer to whom the report is submitted, for good
8 cause, authorized the disposition of the metal; or

9 2. The pawnbroker releases the pledged metal property for
10 redemption by the actual pledgor and the pawnbroker has retained a
11 digital photograph of the property and pledgor with a complete copy
12 of the transaction for his or her records as required by this act.

13 E. No pawnbroker shall be licensed as both a pawnbroker and
14 precious metal dealer in this state.

15 SECTION 6. AMENDATORY 59 O.S. 2011, Section 1530, as
16 last amended by Section 1, Chapter 322, O.S.L. 2015 (59 O.S. Supp.
17 2016, Section 1530), is amended to read as follows:

18 Section 1530. A. Every dealer shall keep a record of any
19 transaction with any person involving the purchasing of any used
20 item made, or containing in whole or in part, any precious metal ~~or,~~
21 gem, crafted metal or scrap metal. The following information shall
22 be recorded for precious metals ~~or,~~ gems, crafted metal or scrap
23 metal:

- 1 1. An account and detailed description ~~or~~ and photograph of the
2 item purchased, including, if applicable, the manufacturer's name,
3 the model, the model number, the serial number and any engraved
4 marking;
- 5 2. The amount of money involved in the transaction;
- 6 3. The date;
- 7 4. The name, address and driver license number of the person
8 involved in the transaction with the dealer and a digital photograph
9 of the person at the time of the transaction; if the person has no
10 driver license, then the date of birth and general physical
11 description, including hair color, eye color, and approximate height
12 and weight of that person and a digital photograph of the person at
13 the time of the transaction; and
- 14 5. The signature of the seller.

15 For purposes of describing the item or items in the transaction
16 pursuant to paragraph 1 of this subsection, it shall be a violation
17 for the dealer to state only the number of grams and type of
18 precious metal ~~or~~, type of gem, or a general description of crafted
19 metal or scrap metal as a description. The description shall
20 clearly and accurately describe each item containing any precious
21 metals ~~or~~, gems, crafted metal or scrap metal and a digital
22 photograph shall be taken of each item to accompany the description
23 of the property presented to the dealer for purposes of the
24 transaction.

1 B. The record required by this section shall be kept for a
2 period of four (4) years. Such record shall be made available
3 during regular business hours for inspection by the Department of
4 Consumer Credit and any law enforcement officer authorized by a law
5 enforcement agency to inspect such record.

6 C. No dealer shall be required to furnish the description of
7 any new property purchased from manufacturers or wholesale dealers
8 at an established place of business or of any goods purchased from
9 any bankrupt stock. Such goods shall be accompanied by a bill of
10 sale or other evidence of open and legitimate purchase. The bill of
11 sale shall also be available for inspection during regular business
12 hours.

13 D. No dealer shall be required to furnish a description of
14 property purchased from another licensed dealer, except a
15 pawnbroker, or to meet the holding period provided for in Section
16 1531 of this title if that dealer has met the requirements provided
17 for in subsection A of this section and Section 1531 of this title
18 upon the initial purchase of the property; provided, that each shall
19 record the license number of the other dealer, retain a photograph
20 of the precious metal, gems, crafted metal or scrap metal, and the
21 amount of the transaction.

22 E. No dealer shall be licensed as both a precious metal or gems
23 dealer and a pawnbroker.

24

1 SECTION 7. AMENDATORY 59 O.S. 2011, Section 1531, as
2 last amended by Section 2, Chapter 322, O.S.L. 2015 (59 O.S. Supp.
3 2016, Section 1531), is amended to read as follows:

4 Section 1531. A. Every dealer must keep at the business
5 location designated in the license application, all used articles
6 made, in whole or in part, of precious metals or gems, for
7 inspection by any law enforcement officer and the Department of
8 Consumer Credit at reasonable times for a period of ~~ten (10)~~
9 fourteen (14) days or until the articles have been released by
10 written authorization of any law enforcement officer authorized by
11 the law enforcement agency or its designee, except as provided for
12 in subsection C of Section 1525 of this title. During this period,
13 the appearance of such articles shall not be altered in any way. A
14 dealer is not prohibited from selling or arranging to sell such
15 articles during the ~~ten-day~~ fourteen-day period as long as such
16 articles remain in his or her possession as required by this
17 section.

18 B. Whenever a peace officer has probable cause to believe that
19 property in possession of a licensed dealer is stolen or embezzled,
20 the peace officer of the local law enforcement agency of the
21 municipality or other political subdivision in which the dealer is
22 located may place a written hold order on the property. The initial
23 term of the written hold order shall not exceed thirty (30) days.
24 However, the holding period may be extended in successive thirty-day

1 increments upon written notification prior to the expiration of the
2 initial holding period. If the holding period has expired and has
3 not been extended, the hold order shall be considered expired and no
4 longer in effect, and title shall vest in the dealer subject to any
5 restrictions contained in a sale contract. The initial written hold
6 order shall contain the following information:

7 1. Signature of the dealer or designee;

8 2. Name, title and identification number of the peace officer
9 placing the hold order;

10 3. Name and address of the agency to which the peace officer is
11 attached and the offense number;

12 4. Complete description and digital photograph of the property
13 to be held, including model number, serial number and transaction
14 number;

15 5. Name of agency reporting the property stolen or embezzled;

16 6. Mailing address of the dealer where the property is held;
17 and

18 7. Expiration date of the holding period.

19 C. While a hold order is in effect, the dealer may consent to
20 release, upon written receipt, the stolen or embezzled property to
21 the custody of the local law enforcement agency to which the peace
22 officer placing the hold order is attached. The consent to release
23 the stolen or embezzled property to the custody of law enforcement
24 is not a waiver or release of the dealer's property rights or

1 interest in the property. Otherwise, the dealer shall not release,
2 melt, dismantle, deface or in any manner alter or dispose of the
3 property except pursuant to a court order or the expiration of the
4 holding period including all extensions. The district attorney's
5 office shall notify the dealer in writing in cases where criminal
6 charges have been filed that the property may be needed as evidence.
7 The notice shall contain the case number, the style of the case and
8 a description of the property. The dealer shall hold such property
9 until receiving notice of the disposition of the case from the
10 district attorney's office. The district attorney's office shall
11 notify the dealer in writing within fifteen (15) days of the
12 disposition of the case. Willful noncompliance of a dealer to a
13 written hold order shall be cause for the dealer's license to either
14 be suspended or revoked. A hold order may be released prior to the
15 expiration of any thirty-day holding period by written release from
16 the agency placing the initial hold order.

17 D. Upon approval of the Administrator, a dealer may also
18 designate an additional location for storage of items required to be
19 held under the provisions of the Precious Metal and Gem Dealer
20 Industry Act. This location shall be either a vault or a bank. The
21 address of the designated additional location shall be filed with
22 the Administrator. The Administrator shall require documentation to
23 verify that the additional storage location will be utilized by the
24 dealer, including, but not limited to, a lease or rental agreement

1 between the dealer and the owner of the additional storage location.
2 The Administrator shall also require the name, contact person and
3 telephone number of the additional storage location. The
4 Administrator shall release the designated location only to law
5 enforcement agencies. The designated additional location shall be
6 available for inspection by the Department of Consumer Credit or any
7 law enforcement officer of this state authorized by the law
8 enforcement agency to inspect the same. A dealer shall provide
9 written notice to the Administrator at least thirty (30) days prior
10 to terminating a lease or rental agreement for an additional storage
11 location.

12 SECTION 8. This act shall become effective November 1, 2017.

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