

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1028

Short Title: Regulate Cash Converters.

(Public)

Sponsors: Representatives Hurley; Warner, Moore, and Wainwright.

Referred to: Small Business.

April 14, 1999

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE PAWNBROKERS MODERNIZATION ACT TO
3 REGULATE 'CASH CONVERTERS', WHICH ARE BUSINESSES THAT
4 PURCHASE OR TRADE PROPERTY FOR RESALE FROM PERSONS WHO
5 ARE NOT LICENSED WHOLESALE MERCHANTS.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 91A-3(2) reads as rewritten:

8 "(2) 'Pawnbroker' means any person engaged in the business of (i) lending
9 money on the security of pledged goods ~~and who may also purchase~~
10 ~~merchandise for resale from dealers and traders or~~ (ii) purchasing
11 merchandise for resale where at least ten percent (10%) of the
12 merchandise is purchased from persons who are not licensed wholesale
13 merchants, as defined in G.S. 105-164.3. A person defined as a
14 pawnbroker in this subdivision may also purchase merchandise for
15 resale from dealers, traders, and wholesalers."

16 Section 2. G.S. 91A-3 is amended by adding a new section to read:

17 "(7) 'Trade' means an exchange or barter of merchandise or goods in any
18 manner or by any means with or without consideration."

19 Section 3. G.S. 91A-4 reads as rewritten:

20 "**§ 91A-4. Pawnbroker authority.**

1 A pawnbroker licensee is authorized to: (i) make loans on pledges of tangible
2 personal property, (ii) deal in bullion stocks, (iii) purchase merchandise for resale from
3 dealers, traders, and wholesale ~~suppliers and (iv) suppliers,~~ (iv) purchase merchandise for
4 resale from persons who are not dealers, traders, or wholesale suppliers, and (v) use its
5 capital and funds in any lawful manner within the general scope and purpose of its
6 creation. Notwithstanding the provisions of this section, no pawnbroker has the authority
7 enumerated in this section unless ~~he~~ the pawnbroker has fully complied with the laws
8 regulating the particular transactions involved."

9 Section 4. G.S. 91A-7 reads as rewritten:

10 **"§ 91A-7. Record keeping requirements.**

11 (a) Every pawnbroker shall keep consecutively numbered records of each and
12 every purchase transaction, trade transaction, and pawn transaction, which shall
13 correspond in all essential particulars to a detachable pawn ticket or copy thereof attached
14 to the record.

15 (b) The pawnbroker shall, at the time of making the ~~pawn or purchase~~ purchase,
16 trade, or pawn transaction, enter upon the pawn ticket a record of the following
17 information which shall be typed or written in ink and in the English language:

- 18 (1) A clear and accurate description of the property, including model and
19 serial number if indicated on the property;
- 20 (2) The name, residence address, phone number, and date of birth of
21 ~~pledgor;~~ the person selling, trading, or pledging the property;
- 22 (3) Date of the ~~pawn~~ pawn, trade, or purchase transaction;
- 23 (4) Type of identification and the identification number accepted from
24 ~~pledgor;~~ the person selling, trading, or pledging the property;
- 25 (5) Description of the ~~pledgor~~ the person selling, trading, or pledging the
26 property, including approximate height, weight, sex, and race;
- 27 (6) Amount of money ~~advanced;~~ advanced, if applicable;
- 28 (7) The date due and the amount ~~due;~~ due, if applicable;
- 29 (8) All monthly pawn charges, including interest, annual percentage rate on
30 interest, and total recovery ~~fee;~~ fee, if applicable; and
- 31 (9) ~~Agreed~~ If applicable, agreed upon 'stated value' between pledgor and
32 pawnbroker in case of loss or destruction of pledged item; unless
33 otherwise noted, 'stated value' is the same as the loan value.

34 (c) The following shall be printed on all pawn tickets:

- 35 (1) The statement that 'ANY PERSONAL PROPERTY PLEDGED TO A
36 PAWNBROKER WITHIN THIS STATE IS SUBJECT TO SALE OR
37 DISPOSAL WHEN THERE HAS BEEN NO PAYMENT MADE ON
38 THE ACCOUNT FOR A PERIOD OF 60 DAYS PAST MATURITY
39 DATE OF THE ORIGINAL CONTRACT. NO FURTHER NOTICE
40 IS NECESSARY.';
- 41 (2) The statement that 'THE PLEDGOR OR SELLER OF THIS ITEM
42 ATTESTS THAT IT IS NOT STOLEN, HAS NO LIENS OR

1 ENCUMBRANCES, AND IS THE PLEDGOR'S TO ~~SELL~~ SELL,
2 TRADE, OR PAWN.;

3 (3) The statement that 'THE ITEM PAWNE IS REDEEMABLE ONLY
4 BY THE BEARER OF THIS TICKET OR BY IDENTIFICATION OF
5 THE PERSON MAKING THE PAWN.'; and

6 (4) A blank line for the ~~pledgor's~~ signature of the person selling, trading, or
7 pledging the property and the pawnbroker's signature or initials.

8 (d) The ~~pledgor~~ person selling, trading, or pledging the property shall sign the
9 pawn ticket and shall receive an exact copy of the pawn ticket which shall be signed or
10 initialed by the pawnbroker or any employee of the pawnbroker. These records shall be
11 available for inspection and pickup each regular workday by the sheriff of the county ~~or~~
12 and the chief of police of the municipality in which the pawnshop is located. These
13 records shall be a correct copy of the entries made of the ~~pawn-pawn, trade, or~~ purchase
14 transaction and shall be carefully preserved without alteration, and shall be available
15 during regular business hours.

16 (e) Except as otherwise provided in this Chapter, any person presenting a pawn
17 ticket to a pawnbroker is presumed to be entitled to redeem the pledged goods described
18 on the ticket."

19 Section 5. G.S. 91A-10 is amended by adding the following new subdivision
20 to read:

21 "(6a) Purchase or otherwise acquire any article for resale, which is known to
22 the pawnbroker to be stolen, unless there is a written agreement with
23 local or State police;".

24 Section 6. G.S. 91A-11(b) reads as rewritten:

25 "(b) The provision of subsection (a) shall not apply to violations of G.S. 91A-10(6)
26 and G.S. 91A-10(6a), which shall be prosecuted under the North Carolina criminal
27 statutes."

28 Section 7. Chapter 91A of the General Statutes is amended by adding a new
29 section to read:

30 "**§ 91A-15. Exemptions from Chapter.**

31 (a) This Chapter does not apply to the acquisition by the pawnbroker of the
32 following merchandise or goods:

33 (1) Farm or nursery products produced by the pawnbroker.

34 (2) Crafts or goods made by the pawnbroker.

35 (3) The merchant's own household personal property.

36 (4) Printed material.

37 (5) Wood for fuel.

38 (6) Ice, seafood, meat, poultry, livestock, eggs, dairy products, bread, cakes,
39 or pies.

40 (7) Motor vehicles from an authorized automobile dealer licensed pursuant
41 to Chapter 20 of the General Statutes.

42 (b) This Chapter does not apply to transactions covered by Chapter 66 of the
43 General Statutes."

1 Section 8. This act becomes effective October 1, 1999, and applies to any
2 transaction made on or after that date. All persons required to be licensed by this act may
3 apply for licensure on or before October 1, 1999.