

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1996

By: Vancuren

COMMITTEE SUBSTITUTE

An Act relating to consumer credit; amending 14A O.S. 2011, Section 6-203, which relates to fees; requiring payment of an investigation fee; allowing for expiration of license if not paid; requiring payment of certain other fees; amending 59 O.S. 2011, Section 1508, which relates to examinations, investigations and access to records; requiring payment of certain late fee; amending 59 O.S. 2011, Section 1953, which relates to investigation, license and annual renewal fees; requiring payment of certain late fee; and providing an effective date.

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

SECTION 1. AMENDATORY 14A O.S. 2011, Section 6-203, is amended to read as follows:

Section 6-203. (1) Any person required to file notification pursuant to the provisions of Section 6-201 of this title, on or before January 31 of each year, shall pay to the Administrator of Consumer Credit an annual fee as prescribed by rule, and an investigation fee of One Hundred Dollars (\$100.00) for each business location. A late fee shall be charged for any notification filed

1 after January 31. The license shall expire thirty (30) days after
2 January 31 of any year for which the annual fee and investigation
3 fee have not been paid. Licensees shall also pay a fee of Twenty-
4 five Dollars (\$25.00) for any returned check, address or license
5 change or duplicate license request.

6 (2) The term "licensee" or "license", as used in this title,
7 includes any entity or individual that has filed or is required to
8 file notification with the Administrator pursuant to the provisions
9 of Sections 6-201 through 6-203 of this title.

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

12 Section 1508. A. At such times as the Administrator of
13 Consumer Credit may deem necessary, the Administrator or a duly
14 authorized representative of the Administrator may make an
15 examination of the place of business of each licensee and may
16 inquire into and examine the transactions, books, accounts, papers,
17 correspondence and records of such licensee insofar as they pertain
18 to the business regulated by the Oklahoma Pawnshop Act. Such books,
19 accounts, papers, correspondence, records and property taken,
20 purchased or received shall also be open for inspection at any
21 reasonable time to federal law enforcement officials and the chief
22 of police, district attorney, sheriff or written designee of the law
23 enforcement body in whose jurisdiction the pawnshop is located,
24 without any need of judicial writ or other process. In the course

1 of an examination, the Administrator or duly authorized
2 representative or any authorized peace officer shall have free
3 access to the office, place of business, files, safes and vaults of
4 such licensee, and shall have the right to make copies of any books,
5 accounts, papers, correspondence and records insofar as they pertain
6 to the business regulated by the Oklahoma Pawnshop Act. The
7 Administrator or duly authorized representative may, during the
8 course of such examination, administer oaths and examine any person
9 under oath upon any subject pertinent to any matter about which the
10 Administrator is authorized or required by the Oklahoma Pawnshop Act
11 to consider, investigate or secure information. Any licensee who
12 fails or refuses to permit the Administrator or duly authorized
13 representative or any authorized peace officer to examine or make
14 copies of such books or other relevant documents shall thereby be
15 deemed in violation of the Oklahoma Pawnshop Act and such failure or
16 refusal shall constitute grounds for the suspension or revocation of
17 such license. The information obtained in the course of any
18 examination or inspection shall be confidential, except in civil or
19 administrative proceedings conducted by the Administrator, or
20 criminal proceedings instituted by the state. Each licensee shall
21 pay to the Administrator an examination fee. The Administrator may
22 require payment of an examination fee either at the time of initial
23 application, renewal of the license, or after an examination has
24 been conducted.

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

15 1. Signature of the pawnbroker or designee;

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

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

20 4. Complete description of the property to be held, including
21 model number, serial number and transaction number;

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

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

2 and

3 7. Expiration date of the holding period.

4 C. While a hold order is in effect, the pawnbroker may consent
5 to release, upon written receipt, the stolen or embezzled property
6 to the custody of the local law enforcement agency to which the
7 peace officer placing the hold order is attached. The consent to
8 release the stolen or embezzled property to the custody of law
9 enforcement is not a waiver or release of the pawnbroker's property
10 rights or interest in the property. Otherwise, the pawnbroker shall
11 not release or dispose of the property except pursuant to a court
12 order or the expiration of the holding period including all
13 extensions. The district attorney's office shall notify the
14 pawnbroker in writing in cases where criminal charges have been
15 filed that the property may be needed as evidence. The notice shall
16 contain the case number, the style of the case, and a description of
17 the property. The pawnbroker shall hold such property until
18 receiving notice of the disposition of the case from the district
19 attorney's office. The district attorney's office shall notify the
20 pawnbroker in writing within fifteen (15) days of the disposition of
21 the case. Willful noncompliance of a pawnbroker to a written hold
22 order shall be cause for the pawnbroker's license to either be
23 suspended or revoked pursuant to paragraph 2 of subsection ~~A~~ B of
24 Section 1507 of this title. A hold order may be released prior to

1 the expiration of any thirty-day holding period by written release
2 from the agency placing the initial hold order.

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

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

20 F. Each licensee shall preserve or make available such books
21 and records in this state relating to each of its pawn transactions
22 for four (4) years from the date of the transaction, or two (2)
23 years from the date of the final entry made thereon, whichever is
24 later. Each licensee's system of records shall be accepted if it

1 discloses such information as may be reasonably required under the
2 Oklahoma Pawnshop Act. All agreements signed by customers shall be
3 kept at an office in this state designated by the licensee, except
4 when transferred under an agreement which gives the Administrator
5 access thereto. All credit sales made by a pawnbroker, other than
6 those sales defined in paragraph 6 of Section 1502 of this title, as
7 a pawn transaction, shall be made in accordance with and subject to
8 the provisions of Title 14A of the Oklahoma Statutes.

9 G. Each licensee shall, annually on or before the first day of
10 May or other date thereafter fixed by the Administrator, file a
11 report with the Administrator setting forth such relevant
12 information as the Administrator may reasonably require concerning
13 the business and operations during the preceding calendar year for
14 each licensed place of business conducted by such licensee within
15 the state. Such report shall be made under oath and shall be in the
16 form prescribed by the Administrator, who may make and publish
17 annually a consolidated analysis and recapitulation of such reports,
18 but the individual reports shall be held confidential. There shall
19 be a late fee of Fifty Dollars (\$50.00) if such report is not filed
20 on or before the date fixed by the Administrator.

21 H. The Administrator may promulgate rules necessary for the
22 enforcement of the Oklahoma Pawnshop Act consistent with all its
23 provisions. Before making such a rule relating to the licensees
24 subject to the Oklahoma Pawnshop Act, the Administrator shall give

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

16 I. Except as otherwise expressly provided in the Oklahoma
17 Pawnshop Act, the Administrative Procedures Act, Sections ~~251~~ 250 et
18 seq. and ~~301~~ 250.3 et seq. of Title 75 of the Oklahoma Statutes,
19 applies to and governs all administrative actions and civil
20 proceedings taken by the Administrator pursuant to the Oklahoma
21 Pawnshop Act.

22 SECTION 3. AMENDATORY 59 O.S. 2011, Section 1953, is
23 amended to read as follows:
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1 Section 1953. A. Lessors shall pay an initial investigation
2 and license fee and an annual license renewal fee per place of
3 business, which fees shall accompany the license renewal form.
4 Lessors shall also pay a fee for any returned check, address or
5 license change, or duplicate license request. There shall be a late
6 fee for a late application for renewal of a license received after
7 December 1 of each year. This late fee shall consist of a charge of
8 Ten Dollars (\$10.00) per day, for up to thirty (30) days.

9 B. Lessors shall pay a rental-purchase agreement renewal fee
10 as prescribed by rule of the Commission on Consumer Credit for any
11 rental-purchase agreement submitted to the Administrator of Consumer
12 Credit for review and approval. The Commission may prescribe by
13 rule a process for submitting rental-purchase agreements to the
14 Administrator for review and approval.

15 SECTION 4. This act shall become effective November 1, 2019.

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