

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 57th Legislature (2019)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1996

By: Vancuren of the House

and

**Leewright** of the Senate

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10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to consumer credit; amending 14A O.S.  
12                   2011, Section 6-203, which relates to fees; requiring  
13                   payment of an investigation fee; allowing for  
14                   expiration of license if not paid; requiring payment  
15                   of certain other fees; amending 59 O.S. 2011, Section  
16                   1508, which relates to examinations, investigations  
17                   and access to records; requiring payment of certain  
18                   late fee; amending 59 O.S. 2011, Section 1953, which  
19                   relates to investigation, license and annual renewal  
20                   fees; requiring payment of certain late fee; and  
21                   providing an effective date.

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

23                   SECTION 1.           AMENDATORY           14A O.S. 2011, Section 6-203, is  
24                   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

1 Consumer Credit an annual fee as prescribed by rule, and an  
2 investigation fee of One Hundred Dollars (\$100.00) for each business  
3 location. A late fee shall be charged for any notification filed  
4 after January 31. The license shall expire thirty (30) days after  
5 January 31 of any year for which the annual fee and investigation  
6 fee have not been paid. Licensees shall also pay a fee of Twenty-  
7 five Dollars (\$25.00) for any returned check, address or license  
8 change or duplicate license request.

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

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

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

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

1 require payment of an examination fee either at the time of initial  
2 application, renewal of the license, or after an examination has  
3 been conducted.

4 B. Whenever a peace officer has probable cause to believe that  
5 property in possession of a licensed pawnbroker is stolen or  
6 embezzled, the peace officer of the local law enforcement agency of  
7 the municipality or other political subdivision in which the  
8 pawnshop resides may place a written hold order on the property.

9 The initial term of the written hold order shall not exceed thirty  
10 (30) days. However, the holding period may be extended in  
11 successive thirty (30) day increments upon written notification  
12 prior to the expiration of the initial holding period. If the  
13 holding period has expired and has not been extended, the hold order  
14 shall be considered expired and no longer in effect, and title shall  
15 vest in the pawnbroker subject to any restrictions contained in the  
16 pawn contract. The initial written hold order shall contain the  
17 following information:

18 1. Signature of the pawnbroker or designee;

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

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

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

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

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

5           7. Expiration date of the holding period.

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

1 suspended or revoked pursuant to paragraph 2 of subsection ~~A~~ B of  
2 Section 1507 of this title. A hold order may be released prior to  
3 the expiration of any thirty-day holding period by written release  
4 from the agency placing the initial hold order.

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

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

22 F. Each licensee shall preserve or make available such books  
23 and records in this state relating to each of its pawn transactions  
24 for four (4) years from the date of the transaction, or two (2)

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

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

23 H. The Administrator may promulgate rules necessary for the  
24 enforcement of the Oklahoma Pawnshop Act consistent with all its

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

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

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1 SECTION 3. AMENDATORY 59 O.S. 2011, Section 1953, is  
2 amended to read as follows:

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

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

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

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19 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated  
20 02/21/2019 - DO PASS, As Amended and Coauthored.

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