

## LEGISLATIVE BILL 44

Approved by the Governor April 16, 1981

Introduced by Law Enforcement and Justice Advisory Committee, Nichol, 48, Chpn.; Chronister, 18; Chambers, 11; Beyer, 3; Pirsch, 10; Von Minden, 17

AN ACT to amend sections 69-201 to 69-206, 69-209, and 69-210, Reissue Revised Statutes of Nebraska, 1943, and section 69-208, Revised Statutes Supplement, 1980, relating to pawnbrokers; to revise provisions for regulation of pawnbrokers; to provide for recovery of property by the owner; to provide a penalty for certain violations; and to repeal the original sections, and also sections 69-207 and 69-211, Reissue Revised Statutes of Nebraska, 1943.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 69-201, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-201. Any person ~~or persons who loan money upon deposits, or pledge of personal property or valuable thing, or any person, persons or corporation that loans engaged in the business of lending~~ money upon chattel property for security, and ~~require~~ requiring possession of the property so mortgaged, on condition of returning the same upon payment of a stipulated amount of money, ~~are or purchasing property on condition of selling it back at a stipulated price, is~~ declared to be ~~pawnbrokers, or chattel loan brokers~~ a pawnbroker for the purpose of sections 69-201 to 69-209 69-210.

Sec. 2. That section 69-202, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-202. Every person, ~~firm or corporation~~ engaged in the business of pawnbroking ~~or chattel loaning~~ shall pay to the city or village treasurer for a license permit to carry on business the sum of one hundred dollars per year or fifty dollars for every six months, in metropolitan cities, but in all other cities, ~~towns~~ or villages the sum of fifty dollars per year or the sum of twenty-five dollars for every six months. Such license permit shall be obtained ~~in the usual manner~~ by filing an application with, and having such application approved

by, the governing body of the city or village or an officer or agency designated by such governing body for such purpose.

The application shall contain the following information:

(1) The name and address of the owner and the manager of the business;

(2) If the applicant is a corporation, a copy of the articles of incorporation and the names of its officers and shareholders;

(3) The exact location where the business is to be conducted; and

(4) The exact location where any goods, wares, and merchandise may be stored or kept if other than the business location.

When reviewing applications for a permit required by this section, the governing body or delegated officer or agency shall take into consideration the criminal record, if any, of the applicant and, if the applicant is a corporation, of its officers and shareholders. No permit shall be issued to any applicant who has been convicted of a felony and, if the applicant is a corporation, no permit shall be issued when any officer or shareholder has been convicted of a felony.

Such person or-firm shall pay-said-sum--and also give bond to the city,-town or village in which he, she, or it is to do business, in the sum of five thousand dollars with surety to be approved by the mayor or its chief executive officer, conditioned for the faithful performance by the principal, of each and all of the trusts imposed by law or by usage attached to pawnbrokers, ~~;-or-chattei--loan--brokers;--~~Provided,--no license

No permit fee shall be exacted under this section in municipalities which impose a license permit fee in this for the pawnbroking business by ordinance.

Sec. 3. That section 69-203, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-203. No person or-firm shall be allowed to do business in more than one place location under one license;-and-every--such--license permit. Each permit shall state the place where such business is to be

carried on, and shall not be assigned. Goods, wares, and merchandise shall be kept or stored only at those locations specifically listed in the permit application.

It shall be unlawful for any person not having a permit as required in section 69-202 to display any sign or advertisement stating that money is lent on goods or that goods are purchased as described in section 69-201.

Sec. 4. That section 69-204, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-204. All persons who shall be engaged in the business of pawnbrokers, ~~chattel-loan-brokers;~~ or dealers in secondhand goods, or junk dealers, shall keep a book in ledger and complete a card, to be furnished by the city or village, on which shall be legibly written in ink, at the time of any loan or purchase, the following information:

- (1) The date of the loan or purchase;
- (2) The name of the person from whom the property is purchased or received, his or her signature, date of birth, and driver's license number or other means of identification;
- (3) A full and accurate description of the property purchased or received, including any manufacturer's identifying insignia or serial number;
- (4) The time when any loan becomes due;
- (5) The amount of purchase money, or the amount lent and any loan charges, for each item; and
- (6) The identification and signature of the clerk or agent for the business who handled the transaction.

Entries shall not in any manner be erased, obliterated, or defaced. The person receiving a loan or selling property shall receive at no charge a plain written or printed ticket for the loan, or a plain written or printed receipt for the articles sold, containing a copy of the entries required by this section.

Every pawnbroker, or employee of a pawnbroker, shall admit to the pawnbroker's premises at any reasonable time during normal business hours any law enforcement officer for the purpose of examining any property and records on the premises, and shall allow

such officer to place restrictions on the disposition of any property for which a reasonable belief exists that it has been stolen. Any person claiming an ownership interest in property received by a pawnbroker for which a reasonable belief exists that such property has been stolen may recover such property as provided by sections 25-1093 to 25-10,110. an accurant account or description, in the English language, of the goods, articles or things pawned, pledged, or mortgaged or purchased; the amount of money loaned or paid therefor; the time the sum was received; and the name, residence and description of the person pawning, pledging, mortgaging or selling the same, which book, as well as the article pawned or purchased, shall be at all reasonable times open to the inspection of the mayor or any member of the police department, or any officer of the law.

Sec. 5. That section 69-205, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-205. It shall be the duty of every such pawnbroker, ~~chattel-loan-broker,~~ dealer in secondhand goods, or junk dealer, every day except Sunday before the hour of twelve o'clock noon, to ~~make-out-and~~ deliver to the ~~chief-of~~ police department of the municipality where said business is located, or if the municipality does not have a police department, to the sheriff's office, a legible and correct copy, ~~from the book of each card or ledger entry~~ required by section 69-204 for the transactions of the previous day. Transactions occurring on Saturday shall be reported on the following Monday. ~~of all personal property or other valuable things received or deposited or purchased or mortgaged, during the day, together with the time received or purchased, and a description of the person or persons by whom left in pledge, and from whom the same was purchased; Provided, no person shall be required to furnish such description of any property~~ No card shall be required for goods purchased from manufacturers or wholesale dealers having an established place of business, or goods purchased at open sale from any bankrupt stock or from any other person doing business and having an established place of business in the city or village, but such ~~Such~~ goods must be accompanied by a bill of sale or other evidence of open and legitimate purchase, and must be shown to the mayor or any member of the police department law enforcement officer when demanded. Dealers ~~Provided, further, dealers in scrap metals, except gold and silver, shall not be included in the provisions of this section.~~

Sec. 6. That section 69-206, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-206. No personal property received on deposit or purchased by any pawnbroker, ~~chattel-loan-broker,~~ dealer in secondhand goods, or junk dealers, shall be sold or ~~removed permitted to be taken~~ from the place of business of such person for ~~the--space--of--twenty-four hours~~ fourteen days or, in the case of secondhand jewelry, for five days, after the copy and ~~statement of the card or ledger entry~~ required to be delivered to the ~~chief police officer department or sheriff's office~~ shall have been delivered as required by section 69-205. Secondhand jewelry shall not be destroyed, damaged, or in any manner defaced for a period of seventy-two hours after the time of its purchase or receipt. For purposes of this section, jewelry shall mean any ornament which is intended to be worn on or about the body and which is made in whole or in part of any precious metal, including gold, silver, platinum, copper, brass, or pewter.

All property accepted as collateral security or purchased by a pawnbroker shall be kept segregated from all other property in a separate area for a period of forty-eight hours after its receipt or purchase, except that valuable articles may be kept in a safe with other property if grouped according to the day of purchase or receipt. Notwithstanding the provisions of this section, a pawnbroker may return any property to the person pawning the same after the expiration of such forty-eight hour period or when permitted by the chief of police, sheriff, or other authorized law enforcement officer.

Sec. 7. That section 69-208, Revised Statutes Supplement, 1930, be amended to read as follows:

69-208. Every broker, agent, or dealer mentioned in sections 69-201 to 69-209 ~~69-210~~ who shall violate, or neglect or refuse to comply with any of the provisions thereof, shall be guilty of a Class V misdemeanor, ~~and in case any license has been granted to such broker, agent or dealer, it may, at the option of the mayor, be~~ revoked.

In addition, any permit issued pursuant to section 69-202 may be revoked or suspended if the holder of such permit violates any provision of state law classified as a misdemeanor or felony. Before any permit may be revoked or suspended the holder shall be given notice of the date and time for a hearing before the governing body or delegated officer or agency which issued the permit to show cause why the permit should not

be revoked or suspended. Such hearing shall be held within seven days of the date of the notice.

Sec. 8. That section 69-209, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-209. It shall be unlawful for any broker, agent or dealer mentioned in section 69-204 pawnbroker to sell any goods so pawned to, purchased or received by him as described in section 69-201, during the period of four months from the date of pawning purchasing or receiving of such goods, ; but after the expiration of four months he may sell any such article to the highest bidder therefor, after first having posted a notice of said sale one week in a conspicuous place of business where such article was pawned or received, or in the place where such broker or dealer is then located because of having changed his place of business, giving in the notice an accurate description of the articles or goods to be sold, and the date and the hour that the sale is to begin, and provided he has endeavored to notify the pawner of such goods, at least one week before the time set for such sale, that they would be sold. The sale may be adjourned from day to day for want of sufficient bidders. The sale shall vest the title to the property in the purchaser.

Sec. 9. That section 69-210, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

69-210. (1) All persons who shall be engaged in the business of pawnbroker or chattel loan broker shall, in addition to the requirements of section 69-204, obtain and keep a color photograph single legible fingerprint of each person pawning, pledging, mortgaging, or selling any goods or articles. The fingerprint shall be taken from the right index finger or, if the right index finger is missing, from the left index finger. Each pawnbroker shall display a notice to customers, in a prominent location, stating that such pawnbroker is required by state law to fingerprint every person pawning or selling an item, which photograph shall be at all reasonable times open to the inspection of the mayor, any member of the police department, or any officer of the law.

(2) No pawnbroker shall accept as collateral security or purchase any property:

(a) From any person who is under eighteen years of age, or who appears to be under the influence of alcohol, narcotic drug, stimulant, or depressant, or who appears to be mentally incompetent; or

(b) On which the serial numbers or other identifying insignia have been destroyed, removed, altered, covered, or defaced.

Sec. 10. That original sections 69-201 to 69-206, 69-209, and 69-210, Reissue Revised Statutes of Nebraska, 1943, and section 69-208, Revised Statutes Supplement, 1980, and also sections 69-207 and 69-211, Reissue Revised Statutes of Nebraska, 1943, are repealed.