

HOUSE CS FOR CS FOR SENATE BILL NO. 292()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS HUGGINS, McGuire, Menard, Dyson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the registration and operation of pawnbrokers, to the exemption for**
2 **pawnbrokers under the Alaska Small Loans Act, and to the exclusion of pawnbrokers**
3 **under certain definitions in the Uniform Commercial Code; and providing for an**
4 **effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 06.20.330(b) is amended to read:

7 (b) This chapter does not apply to individual loans by

8 (1) pawnbrokers where separate and individual loans do not exceed
9 \$750; in this paragraph, "pawnbroker" means a person who is regulated under
10 AS 08.76.100 - 08.76.590; or

11 (2) loan shops where separate and individual loans do not exceed \$500.

12 * **Sec. 2.** AS 08.01.010 is amended by adding a new paragraph to read:

13 (39) regulation of pawnbrokers (AS 08.76.100 - 08.76.590).

14 * **Sec. 3.** AS 08.76.010(a) is amended to read:

1 (a) A person engaged in the business of buying and selling secondhand
 2 articles, [OR LENDING MONEY ON SECONDHAND ARTICLES,] except a bank
 3 or a person regulated by AS 08.76.100 - 08.76.590, shall maintain a book, in
 4 permanent form, in which the person shall enter in legible English at the time of each
 5 [LOAN,] purchase [,] or sale

6 (1) the date of the transaction;

7 (2) the name of the person conducting the transaction;

8 (3) the name, age, and address of the customer;

9 (4) a description of the property bought [OR RECEIVED IN
 10 PLEDGE], which includes, for any firearm, watch, camera, or optical equipment
 11 bought [OR RECEIVED IN PLEDGE], the name of the maker, the serial, model, or
 12 other number, and all letters and marks inscribed;

13 (5) the price paid [OR AMOUNT LOANED];

14 (6) the signature of the customer.

15 * **Sec. 4.** AS 08.76.020 is amended to read:

16 **Sec. 08.76.020. Manner of recording entry.** The entries in the book [AND
 17 THE ELECTRONIC RECORD] required by AS 08.76.010 shall appear in
 18 chronological order [AND, WHEN MADE IN A BOOK,] in ink or indelible pencil.
 19 Blank lines may not be left between entries. Obliterations, alterations, or erasures may
 20 not be made. Corrections shall be made by drawing a line through the entry without
 21 destroying its legibility, and [, WHEN MADE IN A BOOK,] the line shall be drawn in
 22 ink. The book shall be open to the inspection of a peace officer at reasonable times.

23 * **Sec. 5.** AS 08.76 is amended by adding new sections to read:

24 **Article 2. Licensing and Regulation of Pawnbrokers.**

25 **Sec. 08.76.100. Licensing required.** (a) A person may not engage in business
 26 as a pawnbroker without holding a license issued by the department.

27 (b) A license is not transferable or assignable.

28 **Sec. 08.76.110. Requirements for license.** The department may issue a license
 29 to a person if the person

30 (1) has good character;

31 (2) has the experience to engage in business as a pawnbroker;

(3) is fit to engage in business as a pawnbroker;

(4) submits an application as required by the department under AS 08.01.060; and

(5) pays a fee established by the department under AS 08.01.065.

Sec. 08.76.130. Withdrawal of application. The department may consider that a person has withdrawn the person's application for a license if

(1) the application does not contain all of the required information; or

(2) the information required for the application is not submitted to the department within 90 days after the department requests in writing that the person provide the department with the information.

Sec. 08.76.140. Duration and renewal of license. (a) A license is valid for two years.

(b) A person may renew a license under AS 08.01.100. The renewal fee must be equal to the fee established under AS 08.76.110(5).

(c) Notwithstanding AS 08.01.100(b), if a person fails to renew a license before the expiration date of the license, the person shall pay the department a delayed renewal penalty of \$100 in addition to the regular renewal fee.

(d) If a person fails to renew the person's license, the person may not engage in business as a pawnbroker until the person's license is renewed or a new license is issued.

(e) The department may refuse to renew a license under this section for reasons that would have prevented the issuance of the license to the person under AS 08.76.110.

Sec. 08.76.160. Limit on pawn transaction amount. A licensee may not enter into a pawn transaction that exceeds \$750, excluding the finance fee and any fees charged under AS 08.76.220.

Sec. 08.76.170. Customer and transaction limitations. (a) A pawnbroker may not knowingly enter into a pawnbroker transaction with a person who is

(1) under 18 years of age;

(2) under the influence of alcohol or a controlled substance when the influence is apparent; or

1 (3) using the name of another person.

2 (b) A pawnbroker may not knowingly accept or receive misappropriated
3 property from a person in a pawnbroker transaction.

4 **Sec. 08.76.180. Register of pawnbroker transactions.** (a) A pawnbroker
5 shall maintain a register in which the pawnbroker shall enter in legible English at the
6 time of each pawnbroker transaction

7 (1) the date of the pawnbroker transaction;

8 (2) the name of the person conducting the pawnbroker transaction;

9 (3) the name, age, and address of the pledgor or purchaser;

10 (4) a description of the pledged property or purchased property,
11 including the serial number, model number, or other number on the item of property;

12 (5) the price paid or amount loaned;

13 (6) the signature of the pledgor or seller; and

14 (7) the type of identification used by the pledgor or seller, the name of
15 the government agency that issued the identification, and the number written on the
16 identification.

17 (b) A register may be contained in a book or in an electronic format, except
18 that the register for pawn transactions must be in an electronic format if the
19 pawnbroker is located in a municipality that has a population of more than 5,000.

20 (c) A pawnbroker may not falsify or intentionally fail to make an entry of a
21 material matter in a register.

22 (d) A pawnbroker shall maintain in good condition the record in the register of
23 a completed pawnbroker transaction for one year after the completion of the
24 pawnbroker transaction.

25 **Sec. 08.76.190. Recording requirements.** The records required to be
26 maintained in a register by AS 08.76.180 must appear in chronological order and, if
27 made in a book, in ink or indelible pencil. Blank lines may not be left between entries.
28 A pawnbroker may not change a record in a register by obliteration, alteration, or
29 erasure. A pawnbroker may correct a record in a register by drawing a line through the
30 entry without destroying its legibility.

31 **Sec. 08.76.200. Transaction agreement.** A pawnbroker shall provide to a

1 pledgor or seller a copy of the transaction agreement between the pawnbroker and the
2 pledgor or seller. The agreement must clearly and conspicuously disclose

3 (1) the name and address of the pawnbroker and the name and mailing
4 address of the pledgor or seller;

5 (2) the date of the transaction;

6 (3) a description of the item sold or pledged;

7 (4) the amount of each fee charged under AS 08.76.210 and 08.76.220;

8 (5) if the transaction is a pawn transaction, the amount financed and
9 the maturity date; and

10 (6) if the transaction is a purchase by the pawnbroker, the amount of
11 the purchase price.

12 **Sec. 08.76.210. Finance fee.** (a) Except as provided in AS 08.76.280, for each
13 30-day period of a pawn transaction, including a grace period, a pawnbroker may
14 charge a pledgor a finance fee of \$5 or an amount that equals interest at a rate that
15 does not exceed 20 percent of the amount financed, whichever amount is greater.

16 (b) A finance fee is considered to be earned on the day that the pawn
17 transaction is entered into and on the first day of each subsequent 30-day period of the
18 pawn transaction.

19 **Sec. 08.76.220. Other charges allowed.** (a) Except as provided in
20 AS 08.76.280, a pawnbroker may charge a processing fee of not more than \$5 for each
21 pawn transaction for preparing and processing the pawn transaction documentation,
22 providing law enforcement reports, paying expenses, providing other services, and for
23 losses.

24 (b) A pawnbroker may charge a pledgor who places a firearm with the
25 pawnbroker as pledged property

26 (1) a firearm processing fee of not more than \$5; and

27 (2) a governmental fee.

28 **Sec. 08.76.230. Insurance.** A pawnbroker may not sell to a pledgor or
29 otherwise charge a pledgor for insurance in connection with a pawn transaction,
30 except to cover the shipment of pledged property that is redeemed by mail.

31 **Sec. 08.76.240. Return of pledged property.** A pawnbroker shall return

1 pledged property to a pledgor when the pledgor redeems the pledged property. The
2 pawnbroker shall provide the pledgor with a receipt showing the redemption. The
3 receipt must be on a form approved by the department.

4 **Sec. 08.76.250. Extension of grace period.** A pawnbroker and a pledgor may
5 agree to extend the 30-day grace period allowed under AS 08.76.270(b), but each
6 extension may not exceed 30 days. An extension must be in writing, and the
7 pawnbroker shall give the pledgor a copy of the extension agreement. The agreement
8 must clearly state the last day of the extension and the finance fee charged for the
9 extension.

10 **Sec. 08.76.260. Retention, storage, and lease.** A pawnbroker shall store
11 pledged property in a secure area and maintain the pledged property in an unaltered
12 condition. A pawnbroker may not lease pledged property.

13 **Sec. 08.76.270. Redemption.** (a) Unless there is a hold order on the pledged
14 property, the pledged property is subject to a claim under AS 08.76.370 or 08.76.380,
15 or the property is returned to a lessor under AS 08.76.400, a pledgor may redeem
16 pledged property by paying the amount financed and the finance fee in full before the
17 pawnbroker's scheduled closing time on the maturity date.

18 (b) If a pledgor does not pay the amount financed and the finance fee in full
19 before the pawnbroker's scheduled closing time on the maturity date, the pawnbroker
20 shall hold the pledged property on the pawnbroker's business premises for a grace
21 period of 30 days plus any extension allowed under AS 08.76.250. A pledgor may
22 redeem the pledged property during the actual grace period by paying the amount
23 financed and the finance fee, but a pledgor may not redeem pledged property after the
24 pawnbroker's scheduled closing time on the last day of the actual grace period. In this
25 subsection, "actual grace period" means the grace period plus any extension allowed
26 under AS 08.76.250.

27 (c) If there is a hold order on pledged property, the pledgor may redeem the
28 pledged property only when the hold order is released.

29 (d) If pledged property is subject to a claim under AS 08.76.370 or 08.76.380,
30 the pledgor may redeem the pledged property only when the pledged property
31 becomes available under AS 08.76.370 or 08.76.380 for redemption.

1 (e) If a pledgor does not redeem pledged property under (a) - (d) of this
2 section, the title and all interest in the pledged property transfer to the pawnbroker.

3 (f) The holder of a transaction agreement is presumed to be the person who is
4 entitled to redeem the pledged property that is the subject of the transaction
5 agreement, and a pawnbroker shall deliver the pledged property to the person who
6 presents the transaction agreement and pays the amount financed and the finance fee
7 for the pawn transaction.

8 **Sec. 08.76.280. Military personnel.** A pawnbroker shall waive the unpaid
9 amount financed and the finance fee due on a pawn transaction and hold, except as
10 provided in AS 08.76.320 - 08.76.380, the pledged property that is the subject of the
11 pawn transaction on the pawnbroker's business premises until 60 days after the
12 pledgor, the pledgor's spouse, or the pledgor's dependent returns to the United States,
13 if the pawnbroker receives a copy of military orders indicating that

14 (1) the pledgor, or the pledgor's spouse or dependent, is enlisted in the
15 military service of a state or the federal government; and

16 (2) after the pawn transaction was entered into, the person was or is to
17 be deployed abroad for service relating to a military conflict.

18 **Sec. 08.76.290. Business operation method and hours.** A pawnbroker may
19 not engage in the business of being a pawnbroker

20 (1) by using a method, including a drive-through window, in which a
21 person remains in a motor vehicle while conducting the pawnbroker transaction; or

22 (2) between the hours of 12 midnight and 6:00 a.m.

23 **Sec. 08.76.300. Waiver prohibited.** A pawnbroker may not require or allow a
24 person to waive a provision of AS 08.76.100 - 08.76.590.

25 **Sec. 08.76.310. Employees.** A pawnbroker may not knowingly employ a
26 person to work in a pawnshop if, within five years before the employment begins, the
27 person was convicted of, entered a plea of guilty to, entered a plea of no contest to, or
28 had adjudication withheld for a felony, or for a misdemeanor involving dishonesty.

29 **Sec. 08.76.320. Issuance of police hold order.** (a) When a law enforcement
30 officer has probable cause to believe that property in the possession of a pawnbroker
31 at a pawnshop in the law enforcement officer's jurisdiction has been misappropriated,

1 the law enforcement officer may issue a police hold order that directs the pawnbroker
2 not to release or dispose of the property until the police hold order terminates or a
3 court orders the release or disposal.

4 (b) Unless a pawnbroker or the pawnbroker's designee refuses to sign the
5 police hold order, a police hold order begins when the pawnbroker or the pawnbroker's
6 designee receives the police hold order. If the pawnbroker or the pawnbroker's
7 designee refuses to sign the police hold order, the police hold order begins when the
8 refusal occurs.

9 **Sec. 08.76.330. Evidentiary hold order.** (a) When property in the possession
10 of the pawnbroker may be needed as evidence in a filed court action involving a
11 criminal charge, a law enforcement agency may issue an evidentiary hold order to a
12 pawnbroker that directs the pawnbroker not to release or dispose of the property until
13 the evidentiary hold order terminates or a court orders the release or disposal.

14 (b) A pawnbroker who receives an evidentiary hold order under (a) of this
15 section shall hold the property until the attorney general notifies the pawnbroker in
16 writing of the disposition of the filed court action. The attorney general shall notify the
17 pawnbroker within 15 days after the disposition of the filed court action for which the
18 property may be needed as evidence.

19 **Sec. 08.76.340. Contents and form of hold order.** A hold order must be in
20 writing and contain

- 21 (1) the name of the pawnbroker;
- 22 (2) if a police hold order, the name, title, and identification number of
23 the law enforcement officer issuing the police hold order, and the name and address of
24 the law enforcement agency for which the law enforcement officer is acting;
- 25 (3) if an evidentiary hold order, the name and address of the law
26 enforcement agency issuing the evidentiary hold order;
- 27 (4) the number, if any, assigned by the law enforcement agency to the
28 case, and, for an evidentiary hold order, the number and caption of the filed court
29 action;
- 30 (5) a complete description of the property being held, including the
31 model number and serial number, if any;

1 (6) if a police hold order, the name of the person, if any, who reported
2 the property as misappropriated;

3 (7) the mailing address of the pawnshop where the property is being
4 held; and

5 (8) the expiration date of the hold order.

6 **Sec. 08.76.350. Duration of police hold order.** (a) A police hold order may
7 not exceed 30 days. However, a law enforcement officer may extend the police hold
8 order for two additional successive 30-day periods by giving written notification to the
9 pawnbroker before the expiration of each 30-day period.

10 (b) A law enforcement agency may not issue a new police hold order for the
11 same property after the second additional 30-day period allowed under this section.
12 However, the termination of the police hold order does not affect an existing
13 evidentiary hold order on the same property or prevent the issuance of an evidentiary
14 hold order for the same property.

15 (c) A law enforcement agency may release a police hold order before the end
16 of a 30-day period by issuing a written release to the pawnbroker.

17 **Sec. 08.76.360. Noncompliance with hold order.** The department may
18 suspend or revoke a pawnbroker's license if the pawnbroker knowingly fails to comply
19 with a hold order.

20 **Sec. 08.76.370. Claim notification.** (a) If a person believes that property in the
21 possession of a pawnbroker was misappropriated from the person, and if the person
22 wants to obtain possession of the property from the pawnbroker, the person shall first
23 notify the pawnbroker by certified mail, return receipt requested, of the person's claim.

24 (b) A notice under (a) of this section must contain a complete and accurate
25 description of the property and must be accompanied by proof that the claimant owns
26 the property and, if the claimant alleges that the property was stolen, a legible copy of
27 a law enforcement agency's report indicating that the property was stolen.

28 (c) Except as provided in AS 08.76.380, a pawnbroker may not, for 30 days
29 after the pawnbroker receives notice of the claim under this section, dispose of
30 property that is the subject of a claim.

31 **Sec. 08.76.380. Court action on claim.** If a claimant and a pawnbroker do not

1 resolve a claim within 10 days after the pawnbroker's receipt of a notice of the claim
2 under AS 08.76.370, the claimant may bring an action in superior court to require the
3 pawnbroker to return the property to the claimant. After a pawnbroker is notified that a
4 court action has been filed, the pawnbroker may not dispose of the property until the
5 court disposes of the court action, disposes of the property, or allows the pawnbroker
6 to dispose of the property.

7 **Sec. 08.76.390. Liability of pledgor.** A pledgor or seller of property to a
8 pawnbroker is liable to the pawnbroker for the full amount that the pledgor or seller
9 received from the pawnbroker, all charges owed by the pledgor for the pawnbroker
10 transaction, and attorney fees and other costs as allowed by the rules of court if, in an
11 action under AS 08.76.380,

12 (1) the superior court determines that the pledgor or seller
13 misappropriated the property from the claimant; and

14 (2) the superior court orders the pawnbroker to return the property to
15 the claimant.

16 **Sec. 08.76.400. Recovery of leased property.** (a) If property in the possession
17 of a pawnbroker was leased to a pledgor or seller when the pledgor or seller pledged
18 or sold the property to the pawnbroker, but the property did not have a permanent
19 label or other conspicuous mark identifying it as the lessor's property, the pawnbroker
20 shall return the property to the lessor if the lessor

21 (1) provides the pawnbroker with evidence that the property was the
22 lessor's property and was leased to the pledgor or seller at the time the property was
23 pledged or sold to the pawnbroker; and

24 (2) pays the pawnbroker

25 (A) the amount financed and the finance fee for the pawn
26 transaction, if the property was pledged to the pawnbroker; or

27 (B) the amount that the pawnbroker paid the seller if the
28 property was sold to the pawnbroker.

29 (b) A pawnbroker is not liable to the pledgor or seller of property that is
30 recovered by a lessor under (a) of this section for returning the property to a lessor
31 under (a) of this section.

1 **Sec. 08.76.410. Law enforcement reports.** (a) A pawnbroker shall provide a
2 law enforcement officer with a law enforcement report in paper or in an electronic
3 format on a weekly basis.

4 (b) A law enforcement report is confidential under AS 40.25.100 - 40.25.220,
5 and a law enforcement officer and a law enforcement agency may only use a law
6 enforcement report to investigate a crime involving the property that is the subject of
7 the pawnbroker transactions of the pawnbroker.

8 **Sec. 08.76.420. Contents of law enforcement reports.** (a) A law enforcement
9 report must contain

10 (1) a complete and accurate description of all property pledged to or
11 purchased by the pawnbroker, including, as applicable, the property's

12 (A) brand name, model number, and manufacturer's serial
13 number; and

14 (B) type of action and caliber or gauge, if the property is a
15 firearm; and

16 (2) the number of the pawnbroker transaction document that the
17 pawnbroker used to document the pawnbroker transaction.

18 (b) Notwithstanding (a) of this section, the description of the items under
19 (a)(1) of this section is adequate if the description gives the quantity of the items and
20 describes the type of the items if the pawnbroker transaction consists solely of
21 multiple items that are of a similar type, do not have serial or model numbers, and do
22 not contain precious metals or gemstones.

23 **Sec. 08.76.430. Inspection by law enforcement entities.** If a law enforcement
24 agency provides the case number assigned to the investigation for which the
25 inspection is being made, a pawnbroker may not refuse to allow the law enforcement
26 agency to inspect during normal business hours the pawnbroker's register and the
27 purchased property involved in the investigation or the unredeemed pledged property
28 involved in the investigation.

29 **Sec. 08.76.440. Discipline.** (a) The department may, after notice to the licensee
30 and reasonable opportunity to be heard, take the following disciplinary action against a
31 licensee if the licensee or an officer, agent, or employee of the licensee violates

AS 08.76.100 - 08.76.590:

- (1) permanently revoke a license;
- (2) suspend a license for a specified period;
- (3) censure or reprimand a licensee;
- (4) impose limitations or conditions on the licensee;
- (5) impose probation requiring a licensee to report regularly to the department on matters related to the grounds for probation;
- (6) order the licensee to make restitution.

(b) If the department takes disciplinary action under (a) of this section, the department may not, for one year after the date of the disciplinary action, issue another license to the licensee or a license to

- (1) the spouse of the licensee;
- (2) a partnership if the licensee is a partner of the partnership;
- (3) a corporation if the licensee is an officer of the corporation, including a member of the board of directors of the corporation;
- (4) a limited liability company if the licensee is a member or manager of the limited liability company; or
- (5) an employee of the licensee.

(c) Before taking disciplinary action under (a) of this section, the department shall allow a licensee 30 days to correct the violation.

Sec. 08.76.450. Civil penalty. If a licensee, or an officer, agent, or employee of a licensee violates AS 08.76.100 - 08.76.590, the licensee is liable to the state for a civil penalty. Notwithstanding AS 08.01.075(a)(8), the penalty may not be less than \$200 or more than \$2,000. The amount of the civil penalty must be adjusted to the seriousness of the violation.

Sec. 08.76.460. Municipal regulation. (a) Subject to (b) of this section, a municipality with the authority under AS 29 to enact ordinances regulating pawnbrokers and pawnbroker transactions may adopt an ordinance regulating pawnbrokers and pawnbroker transactions if at a minimum the ordinance complies with AS 08.76.100 - 08.76.590.

(b) A municipality may not enact an ordinance that

1 (1) requires the payment of a fee or tax related to a pawnbroker
2 transaction; or

3 (2) restricts the hours of operation of a pawnbroker, except that an
4 ordinance may prohibit pawnbrokers from operating as provided under
5 AS 08.76.290(2).

6 (c) An ordinance that violates this section is void.

7 **Sec. 08.76.470. Regulations.** (a) The department may adopt regulations to
8 implement AS 08.76.100 - 08.76.590.

9 (b) Before the department adopts a regulation to implement AS 08.76.100 -
10 08.76.590, the department shall, in addition to any other requirements under AS 44.62
11 (Administrative Procedure Act), notify licensees of the proposed regulation. After the
12 regulation is adopted, the department shall send each licensee a copy of the regulation
13 adopted.

14 **Sec. 08.76.500. Exemptions.** This chapter does not apply to

15 (1) a financial institution that is subject to the regulation of the
16 department under AS 06, including a commercial bank, savings bank, credit union,
17 premium finance company, small loan company, bank holding company, financial
18 holding company, trust company, savings and loan association, and deferred deposit
19 advance licensee under AS 06.50; or

20 (2) a financial institution organized under federal law.

21 **Sec. 08.76.590. Definitions.** In AS 08.76.100 - 08.76.590,

22 (1) "amount financed" means the amount of money, excluding a
23 finance fee, charged by a pawnbroker for a pawn transaction;

24 (2) "business" includes advertising;

25 (3) "claim" means a claim under AS 08.76.370;

26 (4) "claimant" means a person who makes a claim;

27 (5) "department" means the Department of Commerce, Community,
28 and Economic Development;

29 (6) "evidentiary hold order" means an evidentiary hold order
30 authorized under AS 08.76.330;

31 (7) "finance fee" means all the amounts that a pawnbroker may charge

1 under AS 08.76.210;

2 (8) "governmental fee" means a fee imposed by a governmental
3 agency on a pawnbroker to hold or transfer a firearm or conduct a background check
4 required by the governmental agency;

5 (9) "grace period" means the 30-day period after a maturity date during
6 which a pawnbroker is required by AS 08.76.270(b) to retain possession of pledged
7 property;

8 (10) "hold order" means a police hold order or an evidentiary hold
9 order;

10 (11) "identification" means

11 (A) a government-issued identification document that contains
12 a photograph; or

13 (B) an electronic image of a document identified under (A) of
14 this paragraph;

15 (12) "knowingly" has the meaning given in AS 11.81.900;

16 (13) "law enforcement agency" means

17 (A) the police department of a municipality where a pawnshop
18 is located;

19 (B) the Department of Law;

20 (C) the Department of Public Safety;

21 (14) "law enforcement officer" means

22 (A) a police officer of the municipality where a pawnshop is
23 located; or

24 (B) a state trooper if a pawnshop is located in the unorganized
25 borough or if a pawnshop is located in a municipality that does not provide
26 police protection services;

27 (15) "law enforcement report" means a report required by
28 AS 08.76.410;

29 (16) "lease" means any form of rental;

30 (17) "license" means a license to engage in business as a pawnbroker
31 issued under AS 08.76.110;

- 1 (18) "licensee" means a person who holds a license;
- 2 (19) "maturity date" means the date by which a pledgor is required to
- 3 pay a pawnbroker the amount financed and the finance fee for a pawn transaction, but
- 4 does not include a grace period;
- 5 (20) "misappropriated" means pledged or sold to a pawnbroker
- 6 (A) after being stolen; or
- 7 (B) while being leased to the pledgor or seller by another
- 8 person if the property has a permanent label or other conspicuous mark
- 9 identifying it as another person's property;
- 10 (21) "pawnbroker" means a person who lends money in exchange for a
- 11 pledge of property;
- 12 (22) "pawnbroker transaction" means a pawn transaction or purchase;
- 13 (23) "pawn transaction" means a pledge given in exchange for a loan
- 14 by a pawnbroker;
- 15 (24) "personal property" means tangible personal property, but does
- 16 not include a security, a title to property, a deed, a bill of sale, or printed evidence of
- 17 indebtedness;
- 18 (25) "pledge" means a deposit of property as security for payment of
- 19 financial obligations to a pawnbroker in a pawn transaction;
- 20 (26) "pledged property" means the property that is pledged in a pawn
- 21 transaction;
- 22 (27) "pledgor" means
- 23 (A) a person who delivers property to a pawnbroker for a pawn
- 24 transaction; or
- 25 (B) the principal, if the person who delivers property to a
- 26 pawnbroker for a pawn transaction discloses that the delivery person is acting
- 27 for a principal;
- 28 (28) "police hold order" means a hold order authorized under
- 29 AS 08.76.320;
- 30 (29) "property" means personal property;
- 31 (30) "purchase" means a purchase of property by a pawnbroker that is

not a pawn transaction;

(31) "redeem" means to obtain the return of pledged property under AS 08.76.270;

(32) "register" means the register required to be maintained by AS 08.76.180;

(33) "registration fee" means a fee for registering a firearm;

(34) "seller" means a person who sells property to a pawnbroker, but does not include a pledgor;

(35) "transaction agreement" means the transaction agreement required by AS 08.76.200.

* **Sec. 6.** AS 45.01.211(b) is amended by adding a new paragraph to read:

(47) "pawnbroker" has the meaning given in AS 08.76.590.

* **Sec. 7.** AS 08.76.010(b) and 08.76.040 are repealed.

* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may proceed to adopt regulations under AS 08.01.080 and AS 08.76.470, enacted by sec. 5 of this Act, necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2011.

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: CURRENT MUNICIPAL LICENSEES. (a) Notwithstanding AS 08.76.100, enacted by sec. 5 of this Act, a person who holds a current municipal license on July 1, 2011, may continue to engage in business as a pawnbroker through June 30, 2014, without having a license issued by the Department of Commerce, Community, and Economic Development.

(b) Notwithstanding AS 08.76.110, enacted by sec. 5 of this Act, the department shall issue a license to a person who holds a municipal license if the person

(1) submits, before July 1, 2014, an application as required by the department under AS 08.01.060; and

(2) pays a fee established by the department under AS 08.01.065.

1 (c) In this section,

2 (1) "license" has the meaning given in AS 08.76.590, enacted by sec. 5 of this
3 Act;

4 (2) "municipal license" means a license that is issued by a municipality to
5 authorize a person to engage in business as a pawnbroker; in this paragraph, "business" has
6 the meaning given in AS 08.76.590, enacted by sec. 5 of this Act;

7 (3) "pawnbroker" has the meaning given in AS 08.76.590, enacted by sec. 5 of
8 this Act.

9 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **TRANSITION: EXISTING ORDINANCES.** An ordinance of a municipality that is in
12 effect on July 1, 2011, and that does not comply with AS 08.76.100 - 08.76.590, enacted by
13 sec. 5 of this Act, is void.

14 * **Sec. 11.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

15 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2011.