

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 258
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE ROSES

Introduced: 3/17/08

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to pawnbrokers and the exemption for pawnbrokers under the Alaska**
2 **Small Loans Act; and providing for an effective date."**

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

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

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

6 **(1)** [PAWNBROKERS OR] loan shops where separate and individual
7 loans do not exceed \$500; **or**

8 **(2) a person who is regulated under AS 08.76.100 - 08.76.590.**

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

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

11 *** Sec. 3.** AS 08.76.010 is amended to read:

12 **Sec. 08.76.010. Transactions to be entered in book kept at place of**
13 **business.** A person engaged in the business of buying and selling secondhand articles,
14 [OR LENDING MONEY ON SECONDHAND ARTICLES,] except a bank **or a**

1 **person regulated by AS 08.76.100 - 08.76.590**, shall maintain a book, in permanent
2 form, in which the person shall enter in legible English at the time of each [LOAN,]
3 purchase [,] or sale

4 (1) the date of the transaction;

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

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

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

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

12 (6) the signature of the customer.

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

14 **Sec. 08.76.020. Manner of recording entry.** The entries **under AS 08.76.010**
15 shall appear in chronological order, in ink or indelible pencil. Blank lines may not be
16 left between entries. Obliterations, alterations, or erasures may not be made.
17 Corrections shall be made by drawing a line in ink through the entry without
18 destroying its legibility. The book shall be open to the inspection of a peace officer at
19 reasonable times.

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

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

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

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

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

27 (1) has good character;

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

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

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

1 (5) pays a fee established by the department under AS 08.01.065; and

2 (6) pays the investigation fee under AS 08.76.120.

3 **Sec. 08.76.120. Investigation fee.** Notwithstanding AS 08.01.065, a person
4 applying for a license shall pay the department a nonrefundable initial investigation
5 fee of \$200. The investigation fee is nonrefundable even if the application is
6 considered withdrawn under AS 08.76.130.

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

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

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

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

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

17 (c) Notwithstanding AS 08.01.100(b), if a person fails to renew a license
18 before September 1 of the calendar year in which the license expires, the person shall
19 pay the department a delayed renewal penalty of \$100 in addition to the regular
20 renewal fee.

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

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

27 **Sec. 08.76.150. Biennial report.** (a) A licensee shall file a biennial report with
28 the department before January 2 of the filing year. A licensee who receives an initial
29 license during an even-numbered year shall file the biennial report each even-
30 numbered year. A licensee who receives an initial license during an odd-numbered
31 year shall file the biennial report each odd-numbered year. A biennial report is

1 delinquent if not filed before February 1 of each odd-numbered or even-numbered
2 year as provided in this subsection.

3 (b) The biennial report must provide

4 (1) the number of pawn transactions made by the licensee during the
5 previous calendar year and the aggregate amount financed on the pawn transactions;

6 (2) the number of items of pledged property redeemed during the
7 previous calendar year and the amount financed on the redeemed property; and

8 (3) the value of pledged property returned to a claimant under
9 AS 08.76.370 and 08.76.380.

10 (c) Except as provided by AS 08.76.470, a report submitted under (a) of this
11 section is confidential and is not subject to inspection, disclosure, or copying as a
12 public record under AS 40.25.110 - 40.25.220.

13 **Sec. 08.76.160. Amount financed.** Except for the limitations in AS 08.76.210
14 and 08.76.220 on interest and other charges that a licensee may charge, a licensee may
15 enter into a pawn transaction for any amount.

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

18 (1) under 18 years of age;

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

21 (3) using the name of another person.

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

24 **Sec. 08.76.180. Record of pawnbroker transactions.** (a) A pawnbroker shall
25 maintain a record in which the pawnbroker shall enter in legible English at the time of
26 each loan, purchase, or sale

27 (1) the date of the pawnbroker transaction;

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

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

30 (4) a description of the pledged property or purchased property,
31 including, with regard to a firearm, a watch, a camera, or optical equipment, the name

1 of the maker, the serial number, model number, or other number, and all letters and
2 marks inscribed on the item of property;

3 (5) the price paid or amount loaned;

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

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

8 (b) A pawnbroker may make a record in a book or in an electronic format.

9 (c) A pawnbroker may not falsify or intentionally fail to make an entry of a
10 material matter in a pawnbroker record.

11 (d) A pawnbroker may not knowingly obliterate, discard, or destroy the record
12 of a completed pawnbroker transaction within one year after the completion of a
13 pawnbroker transaction.

14 **Sec. 08.76.190. Recording requirements.** The records required by
15 AS 08.76.180 must appear in chronological order and, if made in a book, in ink or
16 indelible pencil. Blank lines may not be left between entries. A pawnbroker may not
17 change a record by obliteration, alteration, or erasure. A pawnbroker may correct a
18 record by drawing a line through the entry without destroying its legibility.

19 **Sec. 08.76.200. Transaction agreement.** A pawnbroker shall provide to a
20 pledgor or seller a copy of the agreement between the pawnbroker and the pledgor or
21 seller. The agreement must disclose each fee charged under AS 08.76.210 or
22 08.76.220. The agreement must be on a form approved by the department.

23 **Sec. 08.76.210. Finance fee.** (a) Except as provided in AS 08.76.280, for each
24 30-day period of a pawn transaction, including a grace period, a pawnbroker may
25 charge a pledgor a finance fee of \$5 or an amount that equals interest at a rate that
26 does not exceed 20 percent of the amount financed, whichever amount is greater.

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

30 **Sec. 08.76.220. Other charges allowed.** (a) Except as provided in
31 AS 08.76.280, a pawnbroker may charge a processing fee of \$1 for each pawn

1 transaction for preparing and processing the pawn transaction documentation,
2 providing reports to law enforcement officers, paying expenses, providing other
3 services, and for losses.

4 (b) A pawnbroker may charge a pledgor who places with the pawnbroker a
5 firearm that is required by law to be registered a registration fee of \$3 and a
6 governmental fee.

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

10 **Sec. 08.76.240. Return of pledged property.** A pawnbroker shall return
11 pledged property to a pledgor when the pledgor redeems the pledged property. The
12 pawnbroker shall provide the pledgor with a receipt showing the redemption. The
13 receipt must be on a form approved by the department.

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

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

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

28 (b) If a pledgor does not pay the amount financed and the finance fee in full
29 before the pawnbroker's scheduled closing time on the maturity date, the pawnbroker
30 shall hold the pledged property on the pawnbroker's business premises for a grace
31 period of 30 days plus any extension allowed under AS 08.76.250. A pledgor may

1 redeem the pledged property during the actual grace period by paying the amount
 2 financed and the finance fee, but a pledgor may not redeem pledged property after the
 3 pawnbroker's scheduled closing time on the last day of the actual grace period. In this
 4 subsection, "actual grace period" means the grace period plus any extension allowed
 5 under AS 08.76.250.

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

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

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

13 (f) The holder of a pawn ticket is presumed to be the person who is entitled to
 14 redeem the pledged property that is the subject of the pawn ticket, and a pawnbroker
 15 shall deliver the pledged property to the person who presents the pawn ticket and pays
 16 the amount financed and the finance fee for the pawn transaction.

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

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

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

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

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

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

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

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

7 **Sec. 08.76.320. Issuance of police hold order.** (a) When a law enforcement
8 officer has probable cause to believe that property in the possession of a pawnbroker
9 at a pawnshop in the law enforcement officer's jurisdiction has been misappropriated,
10 the law enforcement officer may issue a police hold order that directs the pawnbroker
11 not to release or dispose of the property until the police hold order terminates or a
12 court orders the release or disposal.

13 (b) Unless a pawnbroker or the pawnbroker's designee refuses to sign the
14 police hold order, a police hold order begins when the pawnbroker or the pawnbroker's
15 designee receives the police hold order. If the pawnbroker or the pawnbroker's
16 designee refuses to sign the police hold order, the police hold order begins when the
17 refusal occurs.

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

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

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

30 (1) the name of the pawnbroker;

31 (2) if a police hold order, the name, title, and identification number of

1 the law enforcement officer issuing the police hold order, and the name and address of
2 the law enforcement agency for which the law enforcement officer is acting;

3 (3) if an evidentiary hold order, the name and address of the law
4 enforcement agency issuing the evidentiary hold order;

5 (4) the number, if any, assigned by the law enforcement agency to the
6 case, and, for an evidentiary hold order, the number and caption of the filed court
7 action;

8 (5) a complete description of the property being held, including the
9 model number and serial number, if any;

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

12 (7) the mailing address of the pawnshop where the property is being
13 held; and

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

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

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

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

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

29 **Sec. 08.76.370. Claim notification.** (a) If a person believes that property in the
30 possession of a pawnbroker was misappropriated from the person, and if the person
31 wants to obtain possession of the property from the pawnbroker, the person shall first

1 notify the pawnbroker by certified mail, return receipt requested, or in person of the
2 person's claim and obtain a signed receipt from the pawnbroker that the pawnbroker
3 was notified.

4 (b) A notice under (a) of this section must contain a complete and accurate
5 description of the property and, if the claimant alleges that the property was stolen, be
6 accompanied by a legible copy of a law enforcement agency's report indicating that
7 the property was stolen.

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

11 **Sec. 08.76.380. Court action on claim.** If a claimant and a pawnbroker do not
12 resolve a claim within 10 days after the pawnbroker's receipt of a notice of the claim
13 under AS 08.76.370, the claimant may bring an action in superior court to require the
14 pawnbroker to return the property to the claimant. After a pawnbroker is notified that a
15 court action has been filed, the pawnbroker may not dispose of the property until the
16 court disposes of the court action, disposes of the property, or allows the pawnbroker
17 to dispose of the property.

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

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

25 (2) the superior court orders the pawnbroker to return the property to
26 the claimant.

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

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

4 (2) pays the pawnbroker

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

7 (B) the amount that the pawnbroker paid the seller if the
 8 property was sold to the pawnbroker.

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

12 **Sec. 08.76.410. Law enforcement reports.** (a) A pawnbroker shall provide a
 13 law enforcement officer with a law enforcement report in paper or electronic format
 14 on a daily or weekly basis, as determined by the law enforcement officer.

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

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

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

23 (A) brand name, model number, and manufacturer's serial
 24 number;

25 (B) size and the color that is apparent to an untrained eye;

26 (C) precious metal type, weight, and content, if known;

27 (D) gemstone description;

28 (E) type of action, caliber or gauge, number of barrels, barrel
 29 length, and finish, if the property is a firearm; and

30 (F) other unique identifying marks, numbers, names, and
 31 letters; and

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

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

8 **Sec. 08.76.430. Review by law enforcement officers.** (a) A pawnbroker shall
9 make purchased property, records, and pledged property that has not been redeemed
10 available for inspection by a law enforcement officer during normal business hours
11 during the 30 days after the pawnbroker transaction is entered into.

12 (b) A pawnbroker may not refuse to allow the department, a law enforcement
13 officer, a law enforcement agency, or the state attorney general to inspect the
14 pawnbroker's pledged property, purchased property, or records during the ordinary
15 hours of the pawnbroker's business or at other mutually acceptable times.

16 **Sec. 08.76.440. Discipline.** (a) The department may, after notice to the licensee
17 and reasonable opportunity to be heard, take the following disciplinary action against a
18 licensee if the licensee or an officer, agent, or employee of the licensee violates
19 AS 08.76.100 - 08.76.590:

- 20 (1) permanently revoke a license;
21 (2) suspend a license for a specified period;
22 (3) censure or reprimand a licensee;
23 (4) impose limitations or conditions on the licensee;
24 (5) impose probation requiring a licensee to report regularly to the
25 department on matters related to the grounds for probation;
26 (6) impose on the licensee a civil fine not to exceed \$5,000;
27 (7) order the licensee to make restitution.

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

- 31 (1) the spouse of the licensee;

1 (2) a partnership if the licensee is a partner of the partnership;

2 (3) a corporation if the licensee is an officer of the corporation,
3 including a member of the board of directors of the corporation;

4 (4) a limited liability company if the licensee is a member or manager
5 of the limited liability company; or

6 (5) an employee of the licensee.

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

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

14 **Sec. 08.76.460. Criminal liability.** A person who violates AS 08.76.100 -
15 08.76.590 is guilty of a misdemeanor and upon conviction is punishable by a fine of
16 not more than \$500, or by imprisonment for not more than six months, or by both.

17 **Sec. 08.76.470. Department report.** The department shall aggregate the
18 information in the biennial reports and biennially publish a consolidated analysis and
19 recapitulation of the information without disclosing information from the reports that
20 would identify the licensee.

21 **Sec. 08.76.480. Municipal regulation.** (a) Subject to (b) of this section, a
22 municipality with the authority under AS 29 to enact ordinances regulating
23 pawnbrokers and pawnbroker transactions may adopt an ordinance regulating
24 pawnbrokers and pawnbroker transactions if the ordinance complies with
25 AS 08.76.100 - 08.76.590. However, the ordinance may not be more restrictive than
26 AS 08.76.100 - 08.76.590.

27 (b) A municipality may not enact an ordinance that

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

30 (2) restricts the hours of operation of a pawnbroker, except that an
31 ordinance may prohibit pawnbrokers from operating as provided under

1 AS 08.76.290(2).

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

3 **Sec. 08.76.490. Regulations.** (a) The department may adopt regulations to
4 implement AS 08.76.100 - 08.76.590.

5 (b) Before the department adopts a regulation to implement AS 08.76.100 -
6 08.76.590, the department shall, in addition to any other requirements under AS 44.62
7 (Administrative Procedure Act), notify licensees of the proposed regulation. After the
8 regulation is adopted, the department shall send each licensee a copy of the regulation
9 adopted.

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

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

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

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

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

20 (2) "biennial report" means the report required by AS 08.76.150;

21 (3) "business" includes advertising;

22 (4) "claim" means a claim under AS 08.76.370;

23 (5) "claimant" means a person who makes a claim;

24 (6) "department" means the Department of Commerce, Community,
25 and Economic Development;

26 (7) "evidentiary hold order" means an evidentiary hold order
27 authorized under AS 08.76.330;

28 (8) "finance fee" means all the amounts that a pawnbroker may charge
29 under AS 08.76.210;

30 (9) "governmental fee" means a fee imposed by a governmental
31 agency on a pawnbroker to hold or transfer a firearm or conduct a background check

1 required by the governmental agency;

2 (10) "grace period" means the 30-day period after a maturity date
3 during which a pawnbroker is required by AS 08.76.270(b) to retain possession of
4 pledged property;

5 (11) "hold order" means a police hold order or an evidentiary hold
6 order;

7 (12) "identification" means

8 (A) a government-issued identification document that contains
9 a photograph; or

10 (B) an electronic image of a document identified under (A) of
11 this paragraph;

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

13 (14) "law enforcement agency" means

14 (A) the police department of a municipality where a pawnshop
15 is located;

16 (B) the Department of Law;

17 (C) the Department of Public Safety;

18 (15) "law enforcement officer" means

19 (A) a police officer of the municipality where a pawnshop is
20 located; or

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

24 (16) "law enforcement report" means a report required by
25 AS 08.76.410;

26 (17) "lease" means any form of rental;

27 (18) "license" means a license to engage in business as a pawnbroker
28 issued under AS 08.76.110;

29 (19) "licensee" means a person who holds a license;

30 (20) "maturity date" means the date by which a pledgor is required to
31 pay a pawnbroker the amount financed and the finance fee for a pawn transaction, but

1 does not include a grace period;

2 (21) "misappropriated" means pledged or sold to a pawnbroker

3 (A) after being stolen; or

4 (B) while being leased to the pledgor or seller by another
5 person if the property has a permanent label or other conspicuous mark
6 identifying it as another person's property;

7 (22) "pawnbroker" means a person who lends money in exchange for a
8 pledge of property;

9 (23) "pawnbroker transaction" means a pawn transaction or purchase;

10 (24) "pawn transaction" means a pledge given in exchange for a loan
11 by a pawnbroker;

12 (25) "personal property" means tangible personal property, but does
13 not include a security, a title to property, a deed, a bill of sale, or printed evidence of
14 indebtedness;

15 (26) "pledge" means a deposit of property as security for payment of
16 financial obligations to a pawnbroker in a pawn transaction;

17 (27) "pledged property" means the property that is pledged in a pawn
18 transaction;

19 (28) "pledgor" means

20 (A) a person who delivers property to a pawnbroker for a pawn
21 transaction; or

22 (B) the principal, if the person who delivers property to a
23 pawnbroker for a pawn transaction discloses that the delivery person is acting
24 for a principal;

25 (29) "police hold order" means a hold order authorized under
26 AS 08.76.320;

27 (30) "property" means personal property;

28 (31) "purchase" means a purchase of property by a pawnbroker that is
29 not a pawn transaction;

30 (32) "record" means the record required to be maintained by
31 AS 08.76.180;

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

3 (34) "registration fee" means a fee for registering a firearm;

4 (35) "seller" means a person who sells property to a pawnbroker, but
5 does not include a pledgor.

6 * **Sec. 6.** AS 08.76.040 is repealed.

7 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSITION: REGULATIONS. The Department of Commerce, Community, and
10 Economic Development may proceed to adopt regulations under AS 08.01.080 and
11 AS 08.76.490, enacted by sec. 5 of this Act, necessary to implement this Act. The regulations
12 take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2009.

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

15 TRANSITION: CURRENT MUNICIPAL LICENSEES. (a) Notwithstanding
16 AS 08.76.100, enacted by sec. 5 of this Act, a person who holds a current municipal license
17 on July 1, 2009, may continue to engage in business as a pawnbroker through June 30, 2012,
18 without having a license issued by the Department of Commerce, Community, and Economic
19 Development.

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

22 (1) submits, before July 1, 2012, an application as required by the department
23 under AS 08.01.060; and

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

25 (c) In this section,

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

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

31 (3) "pawnbroker" has the meaning given in AS 08.76.590, enacted by sec. 5 of

1 this Act.

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

4 **TRANSITION: FIRST BIENNIAL REPORT.** (a) The first biennial report that a
5 licensee is required to submit to the Department of Commerce, Community, and Economic
6 Development under AS 08.76.150, enacted by sec. 5 of this Act, shall be submitted on or
7 before January 15, 2011, and must cover the period from July 1, 2009, through December 31,
8 2010.

9 (b) A municipal licensee is not subject to the biennial report requirements of
10 AS 08.76.150, enacted by sec. 5 of this Act, until the municipal licensee receives a license.

11 (c) In this section,

12 (1) "biennial report," "license," and "licensee" have the meanings given in
13 AS 08.76.590, enacted by sec. 5 of this Act;

14 (2) "municipal licensee" means a person to whom a municipality has issued a
15 license to engage in business as a pawnbroker; in this paragraph, "business" and
16 "pawnbroker" have the meanings given in AS 08.76.590, enacted by sec. 5 of this Act.

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

19 **TRANSITION: EXISTING ORDINANCES.** An ordinance of a municipality that is in
20 effect on July 1, 2009, and that violates AS 08.76.480, enacted by sec. 5 of this Act, is void.

21 * **Sec. 11.** Section 7 of this Act takes effect immediately under AS 01.10.070(c).

22 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect July 1, 2009.