

1 IN THE HOUSE

BY MR. CURTIS BY REQUEST

2 HOUSE BILL NO. 68

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the operation of  
7 common pawn shops; providing a penalty  
8 for violations; providing for the repeal  
9 of inconsistent acts; and setting an  
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 Section 1. No person, firm, partnership, corporation or  
13 unincorporated association operating a common pawn shop shall  
14 ask for or accept any charge, payment or fee, whatsoever, for  
15 making any loan in excess of 10% per month of the amount of  
16 such loan. For purposes of this Act, the operator of a common  
17 pawn shop is any person regularly engaged in making small loans,  
18 and taking a pledge of property therefore, or any person regular-  
19 ly purchasing chattels while allowing the seller to repurchase,  
20 redeem or repossess the chattel for a fee in excess of the price  
21 for which he sold the chattel; and a "pledge" is anything of  
22 value given to another for the purpose of indemnifying the re-  
23 ceiver against loss by reason of the deliverer's failure to repay  
24 a loan or any portion thereof.

25 Sec. 2. A seller or pledgor shall be entitled to redeem a  
26 pledge any time within a four month period following the making  
27 of the loan by repaying the principal of such loan and paying  
28 interest thereon at the rate of 10% per month for each month or  
29 fraction thereof that the chattel is in the possession of the

1 operator of the common pawn shop.

2       Sec. 3. When the period for repurchase, redemption or re-  
3 possession has passed, the common pawn shop operator shall sell  
4 any such pledge at a public auction within a reasonable time  
5 thereafter. Any amount in excess of 40% of the original loan  
6 derived from the sale of the pledged property shall be paid into  
7 the General Fund of the State of Alaska.

8       Sec. 4. Every auction held for the sale of unclaimed  
9 pledged property held by the operator of a common pawn shop shall  
10 be advertised by placing a notice of sale, by auction, visible to  
11 persons entering, on each door of the common pawn shop where the  
12 pledge was first accepted.

13       Sec. 5. Any person reporting a violation hereof to the pro-  
14 secuting officials which leads to a conviction, shall be en-  
15 titled as a reward to one-half of any monetary fine imposed.

16       Sec. 6. Any person or corporation found guilty of violat-  
17 ing any of the terms of this Act by a court of competent juris-  
18 diction shall be fined the sum of \$1,000.00 and sentenced to a  
19 jail term of not less than seven days nor more than one year.  
20 The fine or any portion thereof shall not be suspended in any  
21 case where a person properly reporting a violation claims a  
22 reward.

23       Sec. 7. A copy of this Act shall be prominently displayed  
24 in full in a well-illuminated place in every common pawn shop.

25       Sec. 8. Every law or part thereof inconsistent with the  
26 terms of this Act is hereby repealed.

27       Sec. 9. This Act shall take effect immediately upon its  
28 passage and approval, or upon its becoming law without such  
29 approval.