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**SUBSTITUTE SENATE BILL 5613**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** Senate Committee on Commerce & Labor (originally sponsored by Senators Matson, Moore, McCaslin, McMullen, Snyder, Bauer, Vognild, Sutherland, Thorsness, Johnson and Hansen).

Read first time March 6, 1991.

1       AN ACT Relating to pawnbrokers and second-hand dealers; amending  
2 RCW 19.60.010, 19.60.020, 19.60.040, 19.60.045, 19.60.050, 19.60.055,  
3 19.60.060, 19.60.061, 19.60.062, and 19.60.066; and adding a new  
4 section to chapter 19.60 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       **Sec. 1.** RCW 19.60.010 and 1985 c 70 s 1 are each amended to read  
7 as follows:

8       Unless the context clearly requires otherwise, the definitions in  
9 this section apply throughout this chapter.

10       (1) Melted metals means metals derived from metal junk or precious  
11 metals that have been reduced to a melted state from other than ore or  
12 ingots which are produced from ore that has not previously been  
13 processed.

1 (2) Metal junk means any metal that has previously been milled,  
2 shaped, stamped, or forged and that is no longer useful in its original  
3 form, except precious metals.

4 (3) Nonmetal junk means any nonmetal, commonly discarded item that  
5 is worn out, or has outlasted its usefulness as intended in its  
6 original form except nonmetal junk does not include an item made in a  
7 former period which has enhanced value because of its age.

8 (4) Pawnbroker means every person engaged, in whole or in part, in  
9 the business of loaning money on the security of pledges ((7)) of  
10 personal property, or deposits or conditional sales of personal  
11 property, or the purchase or sale of personal property.

12 (5) Precious metals means gold, silver, and platinum.

13 (6) Second-hand dealer means every person engaged in whole or in  
14 part in the business of purchasing, selling, trading, consignment  
15 selling, or otherwise transferring for value, second-hand property  
16 including metal junk, melted metals, precious metals, whether or not  
17 the person maintains a fixed place of business within the state.  
18 Second-hand dealer also includes persons or entities conducting  
19 business at flea markets or swap meets, more than three times per year.

20 (7) Second-hand property means any item of personal property  
21 offered for sale which is not new, including metals in any form, except  
22 postage stamps, coins that are legal tender, bullion in the form of  
23 fabricated hallmarked bars, used books, and clothing of a resale value  
24 of seventy-five dollars or less, except furs.

25 (8) Transaction means a pledge, or the purchase of, or consignment  
26 of, or the trade of any item of personal property by a pawnbroker or a  
27 second-hand dealer from a member of the general public.

28 (9) Term of the loan as defined in this chapter shall be set for a  
29 period of thirty days to include the date of the loan.

1       **Sec. 2.** RCW 19.60.020 and 1984 c 10 s 3 are each amended to read  
2 as follows:

3       (1) Every pawnbroker and second-hand dealer doing business in this  
4 state shall maintain wherever that business is conducted a record in  
5 which shall be legibly written in the English language, at the time of  
6 each transaction the following information:

7       (a) The signature of the person with whom the transaction is made;

8       (b) The date of the transaction;

9       (c) The name of the person or employee or the identification number  
10 of the person or employee conducting the transaction, as required by  
11 the applicable chief of police or the county's chief law enforcement  
12 officer;

13       (d) The name, date of birth, sex, height, weight, race, and address  
14 and telephone number of the person with whom the transaction is made;

15       (e) A complete description of the property pledged, bought, or  
16 consigned, including the brand name, serial number, model number or  
17 name, any initials((~~r~~)) or engraving((~~s~~)), size, pattern((~~s~~)), and  
18 color or stone or stones, and in the case of firearms, the caliber,  
19 barrel length, type of action, and whether it is a pistol, rifle, or  
20 shotgun;

21       (f) The price paid or the amount loaned;

22       (g) The type and identifying number of identification used by the  
23 person with whom the transaction ((~~is~~)) was made, which shall consist  
24 of a valid drivers license or identification card issued by any state  
25 or two pieces of identification issued by a governmental agency, one of  
26 which shall be descriptive of the person identified. At all times, one  
27 piece of current government issued picture identification will be  
28 required; and

29       (h) The nature of the transaction, a number identifying the  
30 transaction, the store identification as designated by the applicable

1 law enforcement agency, or the name and address of the business and the  
2 name of the person or employee, conducting the transaction, and the  
3 location of the property.

4 (2) This record shall at all times during the ordinary hours of  
5 business, or at reasonable times if ordinary hours of business are not  
6 kept, be open to the inspection of any commissioned law enforcement  
7 officer of the state or any of its political subdivisions, and shall be  
8 maintained wherever that business is conducted for three years  
9 following the date of the transaction.

10 **Sec. 3.** RCW 19.60.040 and 1984 c 10 s 6 are each amended to read  
11 as follows:

12 (1) Upon request, every pawnbroker and second-hand dealer doing  
13 business in the state shall furnish ~~((or mail within twenty-four hours~~  
14 ~~to the chief of police of the city or to the county's chief law~~  
15 ~~enforcement officer, on such forms as are provided by the chief of~~  
16 ~~police or the county's chief law enforcement officer, a full, true, and~~  
17 ~~correct transcript of the record of all transactions conducted on the~~  
18 ~~preceding day within the jurisdiction of the chief of police or the~~  
19 ~~county's chief law enforcement officer)) a full, true, and correct  
20 transcript of the record of all transactions conducted on the preceding  
21 day. These transactions shall be recorded on such forms as may be  
22 provided and in such format as may be required by the chief of police  
23 or the county's chief law enforcement officer within a specified time  
24 not less than twenty-four hours. This information may be transmitted  
25 to the applicable law enforcement agency electronically, by facsimile  
26 transmission, or by modem or similar device, or by delivery of computer  
27 disk subject to the requirements of, and approval by, the chief of  
28 police or the county's chief law enforcement officer.~~

1 (2) If a pawnbroker or second-hand dealer has good cause to believe  
2 that any property in his or her possession has been previously lost or  
3 stolen, the pawnbroker or second-hand dealer shall promptly report that  
4 fact to the applicable chief of police or the county's chief law  
5 enforcement officer, together with the name of the owner, if known, and  
6 the date when, and the name of the person from whom it was received.

7 **Sec. 4.** RCW 19.60.045 and 1984 c 10 s 5 are each amended to read  
8 as follows:

9 Following notification from a law enforcement agency that an item  
10 of property has been reported as stolen, the pawnbroker or second-hand  
11 dealer shall hold that property intact and safe from alteration,  
12 damage, or commingling. The pawnbroker or second-hand dealer shall  
13 place an identifying tag or other suitable identification upon the  
14 property so held. Property held shall not be released for one hundred  
15 twenty days from the date of police notification unless released by  
16 written consent of the applicable law enforcement agency or by order of  
17 a court of competent jurisdiction. In cases where the applicable law  
18 enforcement agency has placed a verbal hold on an item, that agency  
19 must then give written notice within ten business days. If such  
20 written notice is not received within that period of time, then the  
21 hold order will cease. The pawnbroker or second-hand dealer shall give  
22 ~~((ten days))~~ a twenty-day written notice before the expiration of the  
23 one hundred twenty-day holding period to the applicable law enforcement  
24 agency about the stolen property. If notice is not given within ~~((the~~  
25 ~~required ten day period))~~ twenty days, then the hold on the property  
26 shall continue for an additional one hundred twenty days. The  
27 applicable law enforcement agency may renew the holding period for  
28 additional one hundred twenty-day periods as necessary. After the  
29 receipt of notification from a pawnbroker or second-hand dealer, if an

1 additional holding period is required, the applicable law enforcement  
2 agency shall give the pawnbroker or second-hand dealer written notice,  
3 prior to the expiration of the existing hold order. A law enforcement  
4 agency shall not place on hold any item of personal property unless  
5 that agency reasonably suspects that the item of personal property is  
6 a lost or stolen item. Any hold that is placed on an item will be  
7 removed as soon as practicable after the item on hold is determined not  
8 to be stolen or lost.

9       **Sec. 5.** RCW 19.60.050 and 1984 c 10 s 8 are each amended to read  
10 as follows:

11       Property bought or received in pledge by any pawnbroker shall not  
12 be removed from that place of business, except when redeemed by, or  
13 returned to the owner, within ((fifteen)) thirty days after the receipt  
14 of the property. Property shall at all times during the ordinary hours  
15 of business be open to inspection to any commissioned law enforcement  
16 officer of the state or any of its political subdivisions.

17       **Sec. 6.** RCW 19.60.055 and 1984 c 10 s 7 are each amended to read  
18 as follows:

19       (1) Property bought or received on consignment by ((a)) any second-  
20 hand dealer with a permanent place of business in the state shall not  
21 be removed from that place of business((7)) except consigned property  
22 returned to the owner, within ((fifteen)) thirty days after the receipt  
23 of the property. Property shall at all times during the ordinary hours  
24 of business be open to inspection to any commissioned law enforcement  
25 officer of the state or any of its political subdivisions.

26       (2) Property bought or received on consignment by ((a)) any second-  
27 hand dealer without a permanent place of business in the state, shall  
28 be held within the city or county in which the property was received,

1 except consigned property returned to the owner, (~~for fifteen~~) within  
2 thirty days after receipt of the property. The property shall be  
3 available within the appropriate jurisdiction for inspection at  
4 reasonable times by any commissioned law enforcement officer of the  
5 state or any of its political subdivisions.

6 **Sec. 7.** RCW 19.60.060 and 1984 c 10 s 9 are each amended to read  
7 as follows:

8 All pawnbrokers are authorized to charge and receive interest and  
9 other fees at the following rates for money (~~loaned~~) on the security  
10 of personal property actually received in pledge:

11 (1) The interest shall not exceed:

12 (a) For an amount loaned up to ~~\$(19.99)~~ 9.99 - interest at \$1.00  
13 (~~per month~~) for each thirty-day period to include the loan date.

14 (b) For an amount loaned from (~~\$(20.00 to \$39.99)~~) \$10.00 to \$19.99  
15 - interest at the rate of (~~\$(1.50 per month)~~) \$1.25 for each thirty-  
16 day period to include the loan date.

17 (c) For an amount loaned from (~~\$(40.00 to \$75.99)~~) \$20.00 to \$24.99  
18 - interest at the rate of (~~\$(2.00 per month)~~) \$1.50 for each thirty-  
19 day period to include the loan date.

20 (d) For an amount loaned from (~~\$(76.00 to \$100.99)~~) \$25.00 to  
21 \$34.99 - interest at the rate of (~~\$(2.50 per month)~~) \$1.75 for each  
22 thirty-day period to include the loan date.

23 (e) For an amount loaned from (~~\$(101.00 to \$125.99)~~) \$35.00 to  
24 \$39.99 - interest at the rate of (~~\$(3.00 per month)~~) \$2.00 for each  
25 thirty-day period to include the loan date.

26 (f) For an amount loaned from (~~\$(126.00 or more)~~) \$40.00 to \$49.99  
27 - interest at the rate of (~~three percent a month~~) \$2.25 for each  
28 thirty-day period to include the loan date.

1        (g) For the amount loaned from \$50.00 to \$59.99 - interest at the  
2 rate of \$2.50 for each thirty-day period to include the loan date.

3        (h) For the amount loaned from \$60.00 to \$69.99 - interest at the  
4 rate of \$2.75 for each thirty-day period to include the loan date.

5        (i) For the amount loaned from \$70.00 to \$79.99 - interest at the  
6 rate of \$3.00 for each thirty-day period to include the loan date.

7        (j) For the amount loaned from \$80.00 to \$89.99 - interest at the  
8 rate of \$3.25 for each thirty-day period to include the loan date.

9        (k) For the amount loaned from \$90.00 to \$99.99 - interest at the  
10 rate of \$3.50 for each thirty-day period to include the loan date.

11        (l) For the amount loaned from \$100.00 or more - interest at the  
12 rate of four percent for each thirty-day period to include the loan  
13 date.

14        (2) The fee for the preparation of loan documents, pledges, or  
15 reports required under the laws of the United States of America, the  
16 state of Washington, or the counties, cities, towns, or other political  
17 subdivisions thereof, shall not exceed:

18        (a) For the amount loaned up to \$4.99 - the sum of \$.50;

19        (b) For the amount loaned from \$5.00 to \$9.99 - the sum of \$2.00;

20        (c) For the amount loaned from \$10.00 to (~~(\$19.99)~~) \$14.99 - the  
21 sum of \$3.00;

22        (d) For the amount loaned from (~~(\$20.00 to \$29.99)~~) \$15.00 to  
23 \$19.99 - the sum of (~~(\$4.00+)~~) \$3.50.

24        (e) For the amount loaned from (~~(\$30.00 to \$39.99)~~) \$20.00 to  
25 \$24.99 - the sum of (~~(\$5.00+)~~) \$4.00.

26        (f) For the amount loaned from (~~(\$40.00 to \$49.99)~~) \$25.00 to  
27 \$29.99 - the sum of (~~(\$6.00+)~~) \$4.50.

28        (g) For the amount loaned from (~~(\$50.00 to \$59.99)~~) \$30.00 to  
29 \$34.99 - the sum of (~~(\$7.00+)~~) \$5.00.



1 (h) For the amount loaned from (~~(\$60.00 to \$69.99)~~) \$35.00 to  
2 \$39.99 - the sum of (~~(\$8.00+)~~) \$5.50.

3 (i) For the amount loaned from (~~(\$70.00 to \$79.99)~~) \$40.00 to  
4 \$44.99 - the sum of (~~(\$9.00+)~~) \$6.00.

5 (j) For the amount loaned from (~~(\$80.00 to \$89.99)~~) \$45.00 to  
6 \$49.99 - the sum of (~~(\$10.00+)~~) \$6.50.

7 (k) For the amount loaned from (~~(\$90.00 to \$99.99)~~) \$50.00 to  
8 \$54.99 - the sum of (~~(\$11.00+)~~) \$7.00.

9 (l) For the amount loaned from (~~(\$100.00 to \$124.99)~~) \$55.00 to  
10 \$59.99 - the sum of (~~(\$12.00+)~~) \$7.50.

11 (m) For the amount loaned from (~~(\$125.00 to \$149.99)~~) \$60.00 to  
12 \$64.99 - the sum of (~~(\$13.00+)~~) \$8.00.

13 (n) For the amount loaned from (~~(\$150.00 to \$174.99)~~) \$65.00 to  
14 69.99 - the sum of (~~(\$14.00+)~~) \$8.50.

15 (o) For the amount loaned from (~~(\$175.00 to \$199.99)~~) \$70.00 to  
16 \$74.99 - the sum of (~~(\$15.00+)~~) \$9.00.

17 (p) For the amount loaned from (~~(\$200.00 to \$249.99)~~) \$75.00 to  
18 \$79.99 - the sum of (~~(\$16.00+)~~) \$9.50.

19 (q) For the amount loaned from (~~(\$250.00 to \$299.99)~~) \$80.00 to  
20 \$84.99 - the sum of (~~(\$17.00+)~~) \$10.00.

21 (r) For the amount loaned from (~~(\$300.00 to \$399.99)~~) \$85.00 to  
22 \$89.99 - the sum of (~~(\$18.00+)~~) \$10.50.

23 (s) For the amount loaned from (~~(\$400.00 to \$499.99~~ — the sum of  
24 ~~\$19.00+~~

25 ~~(t) For the amount loaned from \$500.00 or more)~~ \$90.00 to \$94.99 -  
26 the sum of (~~(\$20.00+)~~) \$11.00.

27 (t) For the amount loaned from \$95.00 to \$99.99 - the sum of  
28 \$11.50.

29 (u) For the amount loaned from \$100.00 to \$104.99 - the sum of  
30 \$12.00.

1        (v) For the amount loaned from \$105.00 to \$109.99 - the sum of  
2        \$12.25.

3        (w) For the amount loaned from \$110.00 to \$114.99 - the sum of  
4        \$12.75.

5        (x) For the amount loaned from \$115.00 to \$119.99 - the sum of  
6        \$13.25.

7        (y) For the amount loaned from \$120.00 to \$124.99 - the sum of  
8        \$13.50.

9        (z) For the amount loaned from \$125.00 to \$129.99 - the sum of  
10       \$13.75.

11       (aa) For the amount loaned from \$130.00 to \$149.99 - the sum of  
12       \$14.50.

13       (bb) For the amount loaned from \$150.00 to \$174.99 - the sum of  
14       \$14.75.

15       (cc) For the amount loaned from \$175.00 to \$199.99 - the sum of  
16       \$15.00.

17       (dd) For the amount loaned from \$200.00 to \$224.99 - the sum of  
18       \$16.00.

19       (ee) For the amount loaned from \$225.00 to \$249.99 - the sum of  
20       \$17.00.

21       (ff) For the amount loaned from \$250.00 to \$274.99 - the sum of  
22       \$18.00.

23       (gg) For the amount loaned from \$275.00 to \$299.99 - the sum of  
24       \$19.00.

25       (hh) For the amount loaned from \$300.00 to \$324.99 - the sum of  
26       \$20.00.

27       (ii) For the amount loaned from \$325.00 to \$349.99 - the sum of  
28       \$21.00.

29       (jj) For the amount loaned from \$350.00 to \$374.99 - the sum of  
30       \$22.00.

1        (kk) For the amount loaned from \$375.00 to \$399.99 - the sum of  
2        \$23.00.

3        (ll) For the amount loaned from \$400.00 to \$424.99 - the sum of  
4        \$24.00.

5        (mm) For the amount loaned from \$425.00 to \$449.99 - the sum of  
6        \$25.00.

7        (nn) For the amount loaned from \$450.00 to \$474.99 - the sum of  
8        \$26.00.

9        (oo) For the amount loaned from \$475.00 to \$499.99 - the sum of  
10       \$27.00.

11       (pp) For the amount loaned from \$500.00 to \$524.99 - the sum of  
12       \$28.00.

13       (qq) For the amount loaned from \$525.00 to \$549.99 - the sum of  
14       \$29.00.

15       (rr) For the amount loaned from \$550.00 to \$599.99 - the sum of  
16       \$30.00.

17       (ss) For the amount loaned from \$600.00 to \$699.99 - the sum of  
18       \$35.00.

19       (tt) For the amount loaned from \$700.00 to \$799.99 - the sum of  
20       \$40.00.

21       (uu) For the amount loaned from \$800.00 to \$899.99 - the sum of  
22       \$40.00.

23       (vv) For the amount loaned from \$900.00 to \$999.99 - the sum of  
24       \$50.00.

25       (ww) For the amount loaned from \$1000.00 to \$1499.99 - the sum of  
26       \$55.00.

27       (xx) For the amount loaned from \$1500.00 to \$1999.99 - the sum of  
28       \$60.00.

29       (yy) For the amount loaned from \$2000.00 to \$2499.99 - the sum of  
30       \$65.00.

1        (zz) For the amount loaned from \$2500.00 to \$2999.99 - the sum of  
2 \$70.00.

3        (aaa) For the amount loaned from \$3000.00 to \$3499.99 - the sum of  
4 \$75.00.

5        (bbb) For the amount loaned from \$3500.00 to \$3999.99 - the sum of  
6 \$80.00.

7        (ccc) For the amount loaned from \$4000.00 to \$4499.99 - the sum of  
8 \$85.00.

9        (ddd) For the amount loaned from \$4500.00 or more - the sum of  
10 \$90.00.

11        (3) Fees under subsection (2) of this section may be charged one  
12 time only during the term of ~~((a pledge))~~ the loan.

13        A copy of this section, set in twelve point type or larger, shall  
14 be posted prominently in each premises subject to this chapter.

15        **Sec. 8.** RCW 19.60.061 and 1984 c 10 s 10 are each amended to read  
16 as follows:

17        (1) A pawnbroker shall not sell any property received in pledge  
18 ~~((within ninety days after the term of the loan expires))~~, until both  
19 the term of the loan and a grace period of a minimum of sixty days has  
20 expired. However, if a pledged article is not redeemed within the  
21 ninety-day period of both the term of the loan and the grace period,  
22 the pawnbroker ~~((has))~~ shall have all rights, title, and interest of  
23 ~~((the pledgor or the pledgor's assigns))~~ that item of personal  
24 property. The pawnbroker shall not be required to account to the  
25 pledgor for the proceeds received from the disposition of that item.  
26 Any provision of law relating to the foreclosures and the subsequent  
27 sale of forfeited pledged items, shall not be applicable to any pledge

1 as defined under this chapter, the title to which is transferred in  
2 accordance with this section.

3 (2) Every transaction entered into by a pawnbroker shall be  
4 evidenced by a written document, a copy of which shall be furnished to  
5 the pledgor. The document shall set forth the (~~loan period~~) term of  
6 the loan, the date on which the loan is due and payable, and shall  
7 inform the pledgor of the pledgor's right to redeem the pledge within  
8 (~~ninety~~) sixty days after the expiration of the loan term.

9 **Sec. 9.** RCW 19.60.062 and 1984 c 10 s 11 are each amended to read  
10 as follows:

11 By either party, in an action brought by an owner to recover goods  
12 in the possession of a pawnbroker or second-hand dealer, or an action  
13 brought by a pawnbroker or second-hand dealer against an owner, or a  
14 person claiming ownership, to determine title or ownership of any item,  
15 the prevailing party is entitled to reasonable attorney's fees and  
16 costs.

17 **Sec. 10.** RCW 19.60.066 and 1984 c 10 s 12 are each amended to read  
18 as follows:

19 It is a gross misdemeanor under chapter 9A.20 RCW for:

20 (1) Any person to remove, alter, or obliterate any manufacturer's  
21 make, model, or serial number, personal identification number, or  
22 identifying marks engraved or etched upon an item of personal property  
23 that was purchased, consigned, or received in pledge. In addition an  
24 item shall not be accepted for pledge or a second-hand purchase where  
25 the manufacturer's make, model, or serial number, personal  
26 identification number, or identifying marks engraved or etched upon an  
27 item of personal property has been removed, altered, or obliterated;

1 (2) Any person to knowingly make, cause, or allow to be made any  
2 false entry or misstatement of any material matter in any book, record,  
3 or writing required to be kept under this chapter;

4 (3) Any pawnbroker or second-hand dealer to receive any property  
5 from any person under the age of eighteen years, any person under the  
6 influence of intoxicating liquor or drugs, or any person known to the  
7 pawnbroker or second-hand dealer as having been convicted of burglary,  
8 robbery, theft, or possession of or receiving stolen property within  
9 the past ten years whether the person is acting in his or her own  
10 behalf or as the agent of another; or

11 (4) Any person to violate knowingly any other provision of this  
12 chapter.

13 NEW SECTION. **Sec. 11.** A new section is added to chapter 19.60 RCW  
14 to read as follows:

15 A purchase of personal property shall not be made on the condition  
16 of selling it back at a stipulated time and price greater than the  
17 purchase price, for the purpose of avoiding the interest and fee  
18 restrictions of this chapter.