

HOUSE BILL ANALYSIS

HB 1816

Title: *An act relating to property disputes involving pawnbrokers or second-hand dealers.*

Brief Description: *Disputing the ownership rights of property in the possession of pawnbrokers or second-hand dealers.*

Sponsors: *Representatives Bush, Cairnes, Lantz, Constantine, Schoesler, McIntire, McDonald, Clements, Sullivan, Mielke, Kastama, Koster, Regala, Skinner, Dunshee, Schindler, Doumit, Carrell, Edmonds and Kenney.*

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: February 23, 1999

Bill Analysis Prepared by: Charlie Gavigan (786-7340)

Background: *Pawnbrokers and second-hand dealers are regulated by state law. In addition to provisions on recording business information and reporting to law enforcement officials, state law regulates the lending of money by pawnbrokers.*

Upon repayment of the loan (pawn), the pawnbroker must return the property to the person who pawned it. If repayment is not made within the term of the loan, which is thirty days plus a sixty day grace period, a pawnbroker may sell the property to the general public.

A pawnbroker may not accept pawned property from a person who the pawnbroker knows has been convicted of burglary, robbery, theft, or receipt of stolen property within the last ten years. If the pawnbroker believes that an item is stolen, he or she must report it to a law enforcement official. If a law enforcement official notifies a pawnbroker that a pawned item has been reported as stolen, the pawnbroker must place a hold— on the item for 120 days. A pawnbroker may not release a pawned item while it is on hold. A law enforcement official may extend the hold for an additional 120 days. A court or law enforcement agency may terminate the hold in writing before the expiration of the 120 day period.

A replevin— action is a court action for return of property in the possession of others. The prevailing party in a replevin action can collect reasonable attorney fees and costs.

Summary of Bill: When a person claims ownership of an item or items of property in the possession of a pawnbroker or second-hand dealer, the pawnbroker or second-hand dealer must: (1) hold the property for sixty days; and (2) with ten days of the claim of ownership, (a) either promptly return the property, or (b) provide the person claiming ownership with a statement of the pawnbroker or second-hand dealer's intent to keep the property along with a statement informing the person of his or her right to bring a court action to determine who has rightful ownership of the property.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Rulemaking Authority: Not addressed.