



**H.B. 444**

124th General Assembly  
(As Introduced)

**Reps. Manning, Collier, Reidelbach, Key, Allen, Jerse, Fessler, Perry, Evans,  
Lendrum, Aslanides**

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**BILL SUMMARY**

- Adds authority for municipal corporations to regulate and license pawnbrokers and precious metal dealers.
- Requires pawnbrokers and precious metals dealers to include in daily reports to law enforcement officials, if available, the name of the manufacturer, any serial or model number, and any identifying mark, letter, or feature of property pledged with or purchased by pawnbrokers or received by precious metals dealers.
- Prohibits precious metals dealers from purchasing and pawnbrokers from receiving or purchasing, any article that has had its serial number removed or defaced.
- Prohibits a precious metals dealer from purchasing and a pawnbroker from receiving or purchasing any articles from a person who fails to present a valid driver's license, military identification, or other state issued identification card.
- Increases the amount of time a pawnbroker must retain all goods or articles pledged with the pawnbroker from 72 hours to 7 days.
- Increases the amount of time a pawnbroker must retain all goods or articles purchased by the pawnbroker from 15 days to 30 days.
- Increases the amount of time a precious metals dealer must retain articles purchased by the precious metals dealer from 5 days to 30 days.

- Modifies procedures related to the return of stolen goods previously pledged to or purchased by pawnbrokers or purchased by precious metals dealers.
- Clarifies the proper law enforcement officials to whom precious metals dealers must issue a report on a daily basis.
- Requires precious metals dealers and pawnbrokers to include the name and a physical description of persons from whom they purchase goods or accept pledges.

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## CONTENT AND OPERATION

### Regulation by municipal corporations

The bill adds pawnbrokers and precious metals dealers to the list of businesses in existing law that municipal corporations may regulate, license, and charge license fees (sec. 715.61).<sup>1</sup>

### Pawnbrokers

#### Pawnbroker daily reports

Under existing law, a pawnbroker is required to furnish a daily description of all property pledged with or purchased by the licensee and the number of the pawn or purchase form used to document the purchase or pledge to the chief of police of the municipal corporation or township in which the licensee's place of business is located, or if the place of business is not located within a municipal corporation or township that has a chief of police, to the sheriff of the county where the place of business is located (sec. 4727.09).

The bill clarifies that the description must be accurate and adds the requirement that the pawnbroker also furnish, if available, the name of the manufacturer, any serial or model number, and any identifying mark, letter, or feature of the property pledged or purchased by the pawnbroker. The bill also adds the requirement that the pawnbroker include the name and a physical

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<sup>1</sup> *Those businesses include manufacturers and dealers in explosives, chattel mortgage and salary loan brokers, peddlers, public ballrooms, scavengers, intelligence officers, billiard rooms, bowling alleys, liver, sale, and boarding stables, dancing or riding academies or schools, race courses, ball grounds, street musicians, secondhand dealers, junk shops, and all persons engaged in the trade, business, or profession of manicuring, massaging, or chiropody. (R.C. 715.61.)*

description of each person who pledged or sold property to the pawnbroker. (Sec. 4727.09.)

Under existing law, the pawnbroker is allowed to transmit the information described above to the appropriate law enforcement office by electronic transfer. Under the bill, the option to transmit information by electronic transfer is subject to the discretion of the law enforcement agency receiving the information. (Sec. 4727.09(B).)

### **Pawnbroker prohibitions**

Existing law prohibits a pawnbroker from accepting a pledge or purchasing articles from minors, persons who are intoxicated or under the influence of a controlled substance, and from known or suspected thieves or receivers of stolen property. The bill adds that a pawnbroker cannot accept a pledge or purchase articles from any person who fails to present a valid driver's license, military identification card, or other state issued identification card. The bill also prohibits a pawnbroker from accepting a pledge or purchasing property that has had its serial number removed or otherwise defaced. (sec. 4727.10.)

### **Articles redeemed by others**

Under current law, if any article or property is redeemed by a person other than the pledgor, the pawnbroker is required to verify the name of the person redeeming the article or property and to record the person's name and driver's license number or other personal identification number on the pawnbroker's copy of a document issued at the time the article or property was pledged (sec. 4727.11(B)).

The bill allows the pawnbroker to record the military identification number of the person redeeming the property as an alternative to a driver's license number and clarifies that "other personal identification number" means a number from a state issued identification card (sec. 4727.11(B)).

### **Retention of goods purchased or pledged**

The bill increases the amount of time that a pawnbroker must retain all goods or articles pledged from 72 hours to seven days, and increases the amount of time that a pawnbroker must retain all goods or articles purchased from 15 days to 30 days (sec. 4727.12(A)).

Under current law, if a law enforcement official has reason to believe that an item reported in a daily report (*see above*, "**Pawnbroker daily reports**") by a pawnbroker is stolen, the law enforcement official is required to notify the pawnbroker of this in writing, and the pawnbroker must retain the property for 30

days after the day that the property was reported to a law enforcement official in the daily report. Under the bill, the 30 day retention time frame begins to run when the pawnbroker receives the written notice from a law enforcement official that there is probable cause to believe that the property is stolen. (Sec. 4727.12(B).)

### **Recovery of stolen property and pawnbrokers**

Under current law, if a chief of police or sheriff receives a report that property has been stolen and determines the identity of the true owner of the allegedly stolen property that has been purchased or pawned and is held by a pawnbroker, and informs the pawnbroker of the true owner's identity, the pawnbroker may return the property to the true owner directly. If a pawnbroker fails to restore the allegedly stolen property, the true owner may recover the property from the pawnbroker in an action at law. If the pawnbroker returns the allegedly stolen property to the true owner, the pawnbroker may charge the person who pledged or sold the allegedly stolen property to the pawnbroker, and any person who acted in consort with the pledgor or the seller to defraud the pawnbroker, the amount the pawnbroker paid or loaned for the allegedly stolen property, plus interest and storage charges provided in law. (Sec. 4727.12 (C) and (D).)

The bill allows the chief of police or sheriff to seize the allegedly stolen property by any lawful means and to hold it as evidence. The law enforcement official holding the property may release the property to the true owner after notifying the pawnbroker of the identity of the true owner and of the law enforcement official's intent to return the property to that owner unless any of the following are true:

- (1) The property is needed for evidence;
- (2) The pawnbroker files a civil action to recover property removed from the pawnbroker's custody within 30 days after receiving a notice provided by the law enforcement official of the intent to return the property to the true owner;
- (3) The court's final decision is pending in an action brought before the court. The bill does not alter the provisions in current law that allow the pawnbroker to recover the pawnbroker's costs, interest, and storage costs from a person who sells or pledges stolen property that is returned to a true owner. (Sec. 4727.12(C) and (E).)

## **Precious metals dealers**

### **Precious metal dealer daily reports**

The bill clarifies and makes consistent with existing pawnbroker law, to whom precious metals dealers are required to submit daily reports of all articles received on the preceding business day. The bill removes reference to the head of the local police department and requires the reports to be made available to the chief of police of the municipal corporation or township in which the precious metal dealer's place of business is located, or if the place of business is not located within a municipal corporation or township that has a chief of police, to the sheriff of the county where the place of business is located (sec. 4728.07).

The bill also adds the same requirements that identifying information and the seller's or pledgor's name and physical description be included on the daily report as required by the laws governing pawnbrokers (sec. 4728.07; *see above*, "**Pawnbroker daily reports**").

### **Precious metals dealer prohibitions**

Existing law prohibits a precious metals dealer from purchasing articles from minors, persons who are intoxicated, or under the influence of a controlled substance, and from known or suspected thieves or receivers of stolen property. The bill adds that a precious metals dealer cannot purchase property from any person who fails to present a valid driver's license, military identification card, or other state issued identification card. The bill also prohibits a pawnbroker from accepting a pledge or purchasing property that has had its serial number removed or otherwise defaced. (Sec. 4728.08.)

### **Retention of goods purchased**

The bill increases the amount of time that a precious metals dealer is required to retain goods purchased from 5 days to 30 days (sec. 4728.09(A)).

Under current law, if a law enforcement official has reason to believe that an item reported in a daily report (*see above*, "**Precious metals dealer daily reports**") by a precious metals dealer is stolen, the law enforcement official is required to notify the precious metals dealer of this in writing, and the precious metals dealer must retain the property for 30 days after the day that the property was reported to a law enforcement official in the daily report. Under the bill, the 30 day retention time frame begins to run when the precious metals dealer receives the written notice from a law enforcement official that there is probable cause to believe that the property is stolen. (Sec. 4728.09(B).)

**Recovery of stolen property and precious metals dealers**

Under current law, recovery of stolen property provisions are similar to the provisions set forth in the laws governing pawnbrokers, except that under the existing laws governing precious metals dealers, only the chief of the local police department is charged with the duty to notify the precious metals dealer in writing that an article described in a daily report is stolen property. The bill applies the same notification duty to county sheriffs. (Sec. 4728.09(B).)

Also under current law, and somewhat unlike the laws governing pawnbrokers, when a law enforcement official notifies the precious metals dealer of the identity of the true owner of the allegedly stolen property, the precious metals dealer has the option to restore the allegedly stolen property directly to the true owner, or the true owner may reimburse the precious metals dealer for the amount the licensee paid for the article, or the true owner may seek to recover the article and reasonable attorney's fees in a court of law.

The bill eliminates this procedure and replaces it with the same procedure established in the bill regarding pawnbrokers (*see above*, "**Recovery of stolen property and pawnbrokers**.")

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	11-29-01	p. 1097

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