

HOUSE BILL NO. 645

INTRODUCED BY ADDY

IN THE HOUSE

FEBRUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
FEBRUARY 11, 1989	FIRST READING.
FEBRUARY 16, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 17, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	PASSED CONSIDERATION FOR THE DAY.
FEBRUARY 20, 1989	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 21, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 96; NOES, 1.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
MARCH 18, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 20, 1989	SECOND READING, CONCURRED IN.
MARCH 22, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 31, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 1, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 645
2 INTRODUCED BY Adley
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOWABLE
5 INTEREST AND CHARGES THAT MAY BE COLLECTED BY PAWNBROKERS;
6 REQUIRING PAWNBROKERS TO SURRENDER STOLEN PROPERTY TO PEACE
7 OFFICERS UPON REQUEST; PROVIDING THAT PAWNBROKERS WHO
8 DISPOSE OF STOLEN PROPERTY AFTER BEING ASKED TO SURRENDER
9 THE PROPERTY COMMIT THE CRIMINAL OFFENSE OF THEFT; AMENDING
10 SECTIONS 31-1-401 AND 31-1-407, MCA; AND REPEALING SECTIONS
11 31-1-403 THROUGH 31-1-406, MCA."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 31-1-401, MCA, is amended to read:

15 "31-1-401. Interest License required -- interest
16 pawnbrokers may receive. (1) No A person may not carry on
17 the business of pawnbroker or junk dealer by receiving goods
18 pawned or in pledge for loans at-any-rate-of-interest--above
19 10%--a--year without first obtaining a license. A-pawnbroker
20 or-junk-dealer-or-his-employees-or--agents--may--not--charge
21 more--than--3%--a--month-for-interest, commission, discount,
22 storage, and caring for property pledged.

23 (2) A pawnbroker may not charge or receive compensation
24 at a rate exceeding the sum of the following:

25 (a) 2 1/2% a month on that portion of the unpaid

1 principal balance of a loan not exceeding \$225;

2 (b) 2% a month on that portion of the unpaid principal
3 balance of a loan in excess of \$225 but not exceeding \$900;

4 (c) 1 1/2% a month on that portion of the unpaid
5 principal balance of a loan in excess of \$900 but not
6 exceeding \$1,650;

7 (d) 1% a month on any remainder of the unpaid principal
8 balance of a loan in excess of \$1,650; and

9 (e) a charge not exceeding \$1 a month on a loan when
10 the monthly charge permitted by this section would otherwise
11 be less than the minimum charge.

12 (3) One month's interest may be charged for any part of
13 the month in which pawned property is redeemed.

14 (4) In addition to the compensation authorized in
15 subsection (2), a pawnbroker may charge a fee of \$1 for each
16 \$15 in value of goods pawned or pledged for loans."

17 **Section 2.** Section 31-1-407, MCA, is amended to read:

18 "31-1-407. Violation a misdemeanor. (1) A Except as
19 provided in subsection (2), a violation of any of the
20 provisions of this part is a misdemeanor.

21 (2) A pawnbroker or junk dealer who allows stolen
22 property to be sold, bartered, or otherwise disposed of
23 after a peace officer has requested its surrender as
24 provided in [section 3] commits the offense of theft, as
25 defined in 45-6-301."

LC 1444/01

1 NEW SECTION. **Section 3.** Pawnbroker to surrender stolen
2 property. When a peace officer informs a pawnbroker or junk
3 dealer that property pawned to him or purchased by him is
4 stolen property, as defined in 45-2-101, the pawnbroker or
5 junk dealer shall surrender the property to the peace
6 officer upon request of the peace officer.

7 NEW SECTION. **Section 4.** Repealer. Sections 31-1-403
8 through 31-1-406, MCA, are repealed.

9 NEW SECTION. **Section 5.** Codification instruction.
10 [Section 3] is intended to be codified as an integral part
11 of Title 31, chapter 1, part 4, and the provisions of Title
12 31, chapter 1, part 4, apply to [section 3].

-End-

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 645

INTRODUCED BY ADDY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ALLOWABLE INTEREST AND CHARGES THAT MAY BE COLLECTED BY PAWNBROKERS; REQUIRING PAWNBROKERS TO SURRENDER STOLEN PROPERTY TO PEACE OFFICERS UPON REQUEST; PROVIDING THAT PAWNBROKERS WHO DISPOSE OF STOLEN PROPERTY AFTER BEING ASKED TO SURRENDER THE PROPERTY COMMIT THE CRIMINAL OFFENSE OF THEFT; AMENDING SECTIONS 31-1-401 AND SECTION 31-1-407, MCA; AND REPEALING SECTIONS 31-1-403 THROUGH 31-1-406, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 31-1-401, MCA, is amended to read:

"31-1-401. Interest license required. Interest pawnbrokers may receive. (1) No A person may not carry on the business of pawnbroker or junk dealer by receiving goods pawned or in pledge for loans at any rate of interest above 10% a year without first obtaining a license. A pawnbroker or junk dealer or his employees or agents may not charge more than 3% a month for interest, commission, discount, storage, and caring for property pledged.

(2) A pawnbroker may not charge or receive compensation at a rate exceeding the sum of the following:

(a) 2 1/2% a month on that portion of the unpaid

principal balance of a loan not exceeding \$225;

(b) 2% a month on that portion of the unpaid principal balance of a loan in excess of \$225 but not exceeding \$900;

(c) 1 1/2% a month on that portion of the unpaid principal balance of a loan in excess of \$900 but not exceeding \$1,650;

(d) 1% a month on any remainder of the unpaid principal balance of a loan in excess of \$1,650; and

(e) a charge not exceeding \$1 a month on a loan when the monthly charge permitted by this section would otherwise be less than the minimum charge.

(3) One month's interest may be charged for any part of the month in which pawned property is redeemed.

(4) In addition to the compensation authorized in subsection (2), a pawnbroker may charge a fee of \$1 for each \$15 in value of goods pawned or pledged for loans."

Section 1. Section 31-1-407, MCA, is amended to read:

"31-1-407. Violation a misdemeanor. (1) A Except as provided in subsection (2), a violation of any of the provisions of this part is a misdemeanor.

(2) A pawnbroker or junk dealer who allows stolen property to be sold, bartered, or otherwise disposed of after a peace officer has requested its surrender as provided in [section 3] commits the offense of theft, as defined in 45-6-301."

1 NEW SECTION. **Section 2.** Pawnbroker to surrender
2 **stolen property.** When a peace officer informs a pawnbroker
3 or junk dealer that property pawned to him or purchased by
4 him is stolen property, as defined in 45-2-101, the
5 pawnbroker or junk dealer shall surrender the property to
6 the peace officer upon request of the peace officer.

7 NEW SECTION. **Section 3.** Repealer. Sections 31-1-403
8 through 31-1-406, MCA, are repealed.

9 NEW SECTION. **Section 4.** Codification instruction.
10 [Section 3 2] is intended to be codified as an integral part
11 of Title 31, chapter 1, part 4, and the provisions of Title
12 31, chapter 1, part 4, apply to [section 3 2].

-End-

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(2) A pawnbroker may not charge or receive compensation at a rate exceeding the sum of the following:

(a) 2 1/2% a month on that portion of the unpaid

principal balance of a loan not exceeding \$225;

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(e) a charge not exceeding \$1 a month on a loan when the monthly charge permitted by this section would otherwise be less than the minimum charge.

(3) One month's interest may be charged for any part of the month in which pawned property is redeemed.

(4) In addition to the compensation authorized in subsection (2), a pawnbroker may charge a fee of \$1 for each \$15 in value of goods pawned or pledged for loans."

Section 1. Section 31-1-407, MCA, is amended to read:

"31-1-407. Violation a misdemeanor. (1) A Except as provided in subsection (2), a violation of any of the provisions of this part is a misdemeanor.

(2) A pawnbroker or junk dealer who allows stolen property to be sold, bartered, or otherwise disposed of after a peace officer has requested its surrender as provided in (section 3) HIM TO HOLD THE PROPERTY FOR 30 DAYS commits the offense of theft, as defined in 45-6-301."

1 NEW SECTION. **Section 2.** Pawnbroker to surrender
2 stolen property. When a peace officer informs a pawnbroker
3 or junk dealer that property pawned to him or purchased by
4 him is stolen property, as defined in 45-2-101, the
5 pawnbroker or junk dealer shall ~~surrender~~ HOLD the property
6 FOR 30 DAYS AND SHALL SURRENDER THE PROPERTY to the peace
7 officer upon ~~request-of-the~~ SERVICE OF A SEARCH WARRANT BY A
8 peace officer PURSUANT TO 31-1-401 THROUGH 31-1-406.

9 ~~NEW-SECTION,--Section-2--Repealer,--Sections--31-1-403~~
10 ~~through-31-1-406,--MCA,--are-repealed.~~

11 NEW SECTION. **Section 3.** Codification instruction.
12 [Section 3 2] is intended to be codified as an integral part
13 of Title 31, chapter 1, part 4, and the provisions of Title
14 31, chapter 1, part 4, apply to [section 3 2].

-End-

SENATE STANDING COMMITTEE REPORT

page 1 of 2
March 17, 1989

SENATE COMMITTEE ON BUSINESS AND INDUSTRY, HB 645
3-17-89
Page 2 of 2

MR. PRESIDENT:

We, your committee on Business and Industry, having had under consideration HB 645 (third reading copy -- blue), respectfully report that HB 645 be amended and as so amended be concurred in:

Sponsor: Addy (Lynch)

1. Title, line 6.
Following: "PAWNBROKERS"
Insert: "AND SECONDHAND DEALERS"

2. Title, line 7.
Following: " ; "
Insert: "AND"
Following: "PAWNBROKERS"
Insert: "AND SECONDHAND DEALERS"

3. Title, line 9.
Strike: " ; AMENDING"

4. Title, line 10.
Strike: "SECTION 31-1-407, MCA"

5. Page 2, lines 17 through 25.
Strike: section 1 in its entirety

6. Page 2.
Following: line 25
Insert: "NEW SECTION. Section 1. Theft by disposal of stolen property. A pawnbroker or dealer who buys and sells secondhand merchandise and allows stolen property to be sold, bartered, or otherwise disposed of after a peace officer has requested him to hold the property for 30 days, as provided in [section 2], commits the offense of theft as defined in 45-6-301."

7. Page 3, line 3.
Strike: "junk"
Following: "dealer"
Insert: "who buys and sells secondhand merchandise"

8. Page 3, line 5.
Strike: "junk"
Following: "dealer"
Insert: "who buys and sells secondhand merchandise"

9. Page 3, lines 12 through 14.
Strike: lines 12 through 14 in their entirety
Insert: "(1) [Section 1] is intended to be codified as an integral part of Title 45, chapter 6, part 3, and the provisions of Title 45, chapter 6, part 3, apply to [section 1].
(2) [Section 2] is intended to be codified as an integral part of Title 46, chapter 5, part 2, and the provisions of Title 46, chapter 5, part 2, apply to [section 2]."

AND AS AMENDED BE CONCURRED IN

Signed: 
Gene Thayer, Chairman

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(a) 2-1/2% a month on that portion of the unpaid principal balance of a loan not exceeding \$225;
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(e) a charge not exceeding \$1 a month on a loan when the monthly charge permitted by this section would otherwise be less than the minimum charge.
(3) One month's interest may be charged for any part of the month in which pawned property is redeemed;
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Section 1. Section 31-1-407, MCA, is amended to read:

"31-1-407. Violation a misdemeanor. (1) A Except as provided in subsection (2), a violation of any of the provisions of this part is a misdemeanor.

(2) A pawnbroker or junk dealer who allows stolen property to be sold, bartered, or otherwise disposed of after a peace officer has requested its surrender as provided in (section 3) HIM TO HOLD THE PROPERTY FOR 30 DAYS

1 ~~commits the offense of theft, as defined in 45-6-301.~~"

2 NEW SECTION. **SECTION 1.** THEFT BY DISPOSAL OF STOLEN
3 PROPERTY. A PAWNBROKER OR DEALER WHO BUYS AND SELLS
4 SECONDHAND MERCHANDISE AND ALLOWS STOLEN PROPERTY TO BE
5 SOLD, BARTERED, OR OTHERWISE DISPOSED OF AFTER A PEACE
6 OFFICER HAS REQUESTED HIM TO HOLD THE PROPERTY FOR 30 DAYS,
7 AS PROVIDED IN [SECTION 2], COMMITS THE OFFENSE OF THEFT AS
8 DEFINED IN 45-6-301.

9 NEW SECTION. **Section 2.** Pawnbroker to surrender
10 stolen property. When a peace officer informs a pawnbroker
11 or junk dealer WHO BUYS AND SELLS SECONDHAND MERCHANDISE
12 that property pawned to him or purchased by him is stolen
13 property, as defined in 45-2-101, the pawnbroker or junk
14 dealer WHO BUYS AND SELLS SECONDHAND MERCHANDISE shall
15 surrender HOLD the property FOR 30 DAYS AND SHALL SURRENDER
16 THE PROPERTY to the peace officer upon request--of--the
17 SERVICE OF A SEARCH WARRANT BY A peace officer PURSUANT TO
18 31-1-401 THROUGH 31-1-406.

19 ~~NEW SECTION. Section 3. Repealer. Sections 31-1-403~~
20 ~~through 31-1-406, MCA, are repealed.~~

21 NEW SECTION. **Section 3.** Codification instruction.
22 {Section 3 2} is intended to be codified as an integral part
23 of Title 31, chapter 1, part 4, and the provisions of Title
24 31, chapter 1, part 4, apply to {section 3 2}. (1) [SECTION
25 1] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE

1 45, CHAPTER 6, PART 3, AND THE PROVISIONS OF TITLE 45,
2 CHAPTER 6, PART 3, APPLY TO [SECTION 1].

3 (2) [SECTION 2] IS INTENDED TO BE CODIFIED AS AN
4 INTEGRAL PART OF TITLE 46, CHAPTER 5, PART 2, AND THE
5 PROVISIONS OF TITLE 46, CHAPTER 5, PART 2, APPLY TO [SECTION
6 2].

-End-