

As Introduced

131st General Assembly

Regular Session

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S. B. No. 270

Senator Eklund

Cosponsors: Senators Hottinger, Seitz, Gardner, Coley, Patton, Uecker

A BILL

To amend sections 4727.01, 4727.03, 4727.04, 1
4727.06, 4727.08, 4727.09, 4727.10, 4727.11, 2
4727.12, 4727.19, and 4727.20 and to enact 3
section 4727.151 of the Revised Code to make 4
changes to the law relating to pawnbrokers. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4727.01, 4727.03, 4727.04, 6
4727.06, 4727.08, 4727.09, 4727.10, 4727.11, 4727.12, 4727.19, 7
and 4727.20 be amended and section 4727.151 of the Revised Code 8
be enacted to read as follows: 9

Sec. 4727.01. As used in this chapter: 10

(A) "Pawnbroker" means a person engaged in the business of 11
lending money on deposit or pledges of personal property, other 12
than securities, printed evidence of indebtedness, titles, 13
deeds, or bills of sale, at a total charge, rate of interest, or 14
discount or other remuneration in excess of eight per cent per 15
annum, and includes a person engaged in the business of 16
purchasing personal property from another person for resale. A 17
pawnbroker also includes a person who purchases personal 18

property from another person with an agreement that the personal 19
property will be made available to that other person for 20
repurchase within an agreed-to time period and for an amount 21
greater than the price originally paid to that other person for 22
the purchase of the personal property. 23

(B) "Superintendent of financial institutions" includes 24
the deputy superintendent for consumer finance as provided in 25
section 1181.21 of the Revised Code. 26

Sec. 4727.03. (A) As used in this section, "experience and 27
fitness in the capacity involved" means that the applicant for a 28
pawnbroker's license demonstrates sufficient financial 29
responsibility, reputation, and experience in the pawnbroker 30
business, or in a related business, to act as a pawnbroker in 31
compliance with this chapter. "Experience and fitness in the 32
capacity involved" shall be determined by: 33

(1) Prior or current ownership or management of, or 34
employment in, a pawnshop; 35

(2) Demonstration to the satisfaction of the 36
superintendent of financial institutions of a thorough working 37
knowledge of all pawnbroker laws and rules as they relate to the 38
actual operation of a pawnshop. 39

A demonstration shall include a demonstration of an 40
ability to properly complete forms, knowledge of how to properly 41
calculate interest and storage charges, and knowledge of legal 42
notice and forfeiture procedures. The final determination of 43
whether an applicant's demonstration is adequate rests with the 44
superintendent. 45

(3) A submission by the applicant and any stockholders, 46
owners, managers, directors, or officers of the pawnshop, and 47

employees of the applicant to a police record check; and 48

(4) Liquid assets in a minimum amount of one hundred 49
twenty-five thousand dollars at the time of applying for initial 50
licensure and demonstration of the ability to maintain the 51
liquid assets at a minimum amount of ~~twenty-five~~ seventy-five thousand 52
dollars for the duration of holding a valid pawnbroker's 53
license. 54

(B) The superintendent may grant a license to act as a 55
pawnbroker to any person of good character and having experience 56
and fitness in the capacity involved to engage in the business 57
of pawnbroking upon the payment to the superintendent of a 58
license fee determined by the superintendent pursuant to section 59
1321.20 of the Revised Code. A license is not transferable or 60
assignable. 61

(C) The superintendent may consider an application 62
withdrawn and may retain the investigation fee required under 63
division (D) of this section if both of the following are true: 64

(1) An application for a license does not contain all of 65
the information required under division (B) of this section. 66

(2) The information is not submitted to the superintendent 67
within ninety days after the superintendent requests the 68
information from the applicant in writing. 69

(D) The superintendent shall require an applicant for a 70
pawnbroker's license to pay to the superintendent a 71
nonrefundable initial investigation fee of two hundred dollars, 72
which is for the exclusive use of the state. 73

(E) (1) Except as otherwise provided in division (E) (2) of 74
this section, a pawnbroker's license issued by the 75
superintendent expires on the thirtieth day of June next 76

following the date of its issuance, and may be renewed annually 77
by the thirtieth day of June in accordance with the standard 78
renewal procedure set forth in Chapter 4745. of the Revised 79
Code. Fifty per cent of the annual license fee shall be for the 80
use of the state, and fifty per cent shall be paid by the state 81
to the municipal corporation, or if outside the limits of any 82
municipal corporation, to the county, in which the office of the 83
licensee is located. All such fees payable to municipal 84
corporations or counties shall be paid annually. 85

(2) A pawnbroker's license issued or renewed by the 86
superintendent on or after January 1, 2006, expires on the 87
thirtieth day of June in the even-numbered year next following 88
the date of its issuance or renewal, as applicable, and may be 89
renewed biennially by the thirtieth day of June in accordance 90
with the standard renewal procedure set forth in Chapter 4745. 91
of the Revised Code. Fifty per cent of the biennial license fee 92
shall be for the use of the state, and fifty per cent shall be 93
paid by the state to the municipal corporation, or if outside 94
the limits of any municipal corporation, to the county, in which 95
the office of the licensee is located. All such fees payable to 96
municipal corporations or counties shall be paid biennially. 97

(F) The fee for renewal of a license shall be equivalent 98
to the fee for an initial license established by the 99
superintendent pursuant to section 1321.20 of the Revised Code. 100
Any licensee who wishes to renew the pawnbroker's license but 101
who fails to do so on or before the date the license expires 102
shall reapply for licensure in the same manner and pursuant to 103
the same requirements as for initial licensure, unless the 104
licensee pays to the superintendent on or before the thirty- 105
first day of August of the year the license expires, a late 106
renewal penalty of one hundred dollars in addition to the 107

regular renewal fee. Any licensee who fails to renew the license 108
on or before the date the license expires is prohibited from 109
acting as a pawnbroker until the license is renewed or a new 110
license is issued under this section. Any licensee who renews a 111
license between the first day of July and the thirty-first day 112
of August of the year the license expires is not relieved from 113
complying with this division. The superintendent may refuse to 114
issue to or renew the license of any licensee who violates this 115
division. 116

(G) No license shall be granted to any person not a 117
resident of or the principal office of which is not located in 118
the municipal corporation or county designated in such license 119
unless that applicant, in writing and in due form approved by 120
and filed with the superintendent, first appoints an agent, a 121
resident of the state, and city or county where the office is to 122
be located, upon whom all judicial and other process, or legal 123
notice, directed to the applicant may be served. In case of the 124
death, removal from the state, or any legal disability or any 125
disqualification of any such agent, service of such process or 126
notice may be made upon the superintendent. 127

The superintendent may, upon notice to the licensee and 128
reasonable opportunity to be heard, suspend or revoke any 129
license or assess a penalty against the licensee if the 130
licensee, or the licensee's officers, agents, or employees, has 131
violated this chapter. Any penalty shall be appropriate to the 132
violation but in no case shall the penalty be less than two 133
hundred nor more than two thousand dollars. Whenever, for any 134
cause, a license is suspended or revoked, the superintendent 135
shall not issue another license to the licensee nor to the legal 136
spouse of the licensee, nor to any business entity of which the 137
licensee is an officer or member or partner, nor to any person 138

employed by the licensee, until the expiration of at least two 139
years from the date of revocation or suspension of the license. 140
The superintendent shall deposit all penalties allocated 141
pursuant to this section into the state treasury to the credit 142
of the consumer finance fund. 143

Any proceedings for the revocation or suspension of a 144
license or to assess a penalty against a licensee are subject to 145
Chapter 119. of the Revised Code. 146

(H) If a licensee surrenders or chooses not to renew the 147
pawnbroker's license, the licensee shall notify the 148
superintendent thirty days prior to the date on which the 149
licensee intends to close the licensee's business as a 150
pawnbroker. Prior to the date, the licensee shall do either of 151
the following with respect to all active loans: 152

(1) Dispose of an active loan by selling the loan to 153
another person holding a valid pawnbroker's license issued under 154
this section; 155

(2) Reduce the rate of interest on pledged articles held 156
as security for a loan to eight per cent per annum or less 157
effective on the date that the pawnbroker's license is no longer 158
valid. 159

Sec. 4727.04. (A) An application for a pawnbroker's 160
license shall state fully the name and address of the applicant 161
and of every member, partner, stockholder, or owner of an 162
applicant, and the location of each of the office-offices or 163
place-places of business in which the applicant conducts 164
~~business-is conducted~~; and in the case of a corporation, shall 165
also state the date and place of its incorporation, the name and 166
address of its manager, the names and addresses of its 167

directors, the name and address of the agent as provided in 168
section 4727.03 of the Revised Code, and any other information 169
required by the superintendent of financial institutions. 170

The license shall be kept posted in a conspicuous place in 171
the ~~office~~offices where the business is transacted. No person 172
so licensed shall transact or solicit business under any other 173
name or at any location other than at the ~~address~~addresses 174
stated in the person's license. No licensee may move the 175
licensee's business location without prior notification to the 176
superintendent of at least thirty days. If the licensee moves 177
out of the municipal corporation or county in which the licensee 178
was originally licensed, the licensee shall pay an additional 179
license fee equivalent to the fee for an initial license to be 180
distributed in accordance with section 4727.03 of the Revised 181
Code. 182

(B) The superintendent may issue to a pawnbroker licensed 183
under this chapter a temporary exhibition permit pursuant to 184
division (C) (1) of section 4728.04 of the Revised Code. 185

(1) A licensee who wishes to be issued a temporary permit 186
pursuant to division (C) (1) of section 4728.04 of the Revised 187
Code shall make request for such issuance by letter addressed to 188
the superintendent. The letter of request shall contain the 189
licensee's name, permanent business address, and license number. 190

(2) Upon receipt of a temporary exhibition permit, the 191
permit holder shall conspicuously display the permit at the 192
place where the permit holder transacts business at any auction, 193
convention, exhibition, fair, or show. 194

(3) Every permit holder who wishes to participate in an 195
auction, convention, exhibition, fair, or show, at least two 196

weeks prior to its opening, shall notify the superintendent and 197
the chief of police of the municipal corporation in which the 198
event is to take place, or if the event is to take place outside 199
of any municipal corporation, then the sheriff of the county in 200
which the event is to take place. Such notification shall be by 201
letter and shall include the permit holder's name, permanent 202
business address, and permit number, and the place where the 203
event is scheduled to be held. 204

(C) Every licensee shall post at the main door of each of 205
the licensee's ~~place~~ places of business the hours or times when 206
the establishment is open for business. No licensee shall 207
collect interest and storage on any loan for any regular 208
business day that the establishment is not open for business as 209
posted, unless prior notice of a closing is posted on the door 210
or the closing is occasioned by an act of God, unforeseen 211
emergency, or other event beyond the control of the licensee. A 212
licensee shall notify the superintendent of any change in the 213
posted hours of operation. 214

(D) No licensee shall fail to observe the posted hours of 215
operation pursuant to division (C) of this section except as 216
authorized by that division. 217

Sec. 4727.06. (A) No pawnbroker shall charge, receive, or 218
demand interest for any loan in excess of ~~five~~ six per cent per 219
month or fraction of a month on the unpaid principal. Interest 220
shall be computed on a monthly basis on the amount of the 221
principal remaining unpaid on the first day of the month and 222
shall not be compounded. 223

(B) In addition to the rate of interest limitation imposed 224
pursuant to division (A) of this section, the licensee may 225
charge no more than: 226

(1) ~~Four~~Six dollars per month or fraction of a month for 227
all pledged articles held as security or stored for a loan, to 228
be agreed to in writing at the time the loan is made; 229

(2) Four dollars plus the actual cost of shipping, when 230
the licensee is to deliver or forward the pledged article by 231
express or parcel post to the pledgor; 232

(3) ~~Two dollars for the loss of the original statement~~ 233
~~issued to the pledgor by the licensee pursuant to section~~ 234
~~4727.07 of the Revised Code upon redemption of the pledged~~ 235
~~articles;~~ 236

~~(4) Two~~Five dollars for the cost of notifying a pledgor 237
by mail that the pledged articles may be forfeited to the 238
licensee pursuant to section 4727.11 of the Revised Code. 239

(C) A licensee who complies with the requirements or 240
procedures of this state pursuant to the application of the 241
"Brady Handgun Violence Protection Act," 107 Stat. 1536 (1993), 242
18 U.S.C.A. 922, as amended, may charge any fee the licensee is 243
required by law to pay in order to comply with such requirements 244
or procedures. The licensee may charge no more than ~~two~~ten 245
dollars for providing services in compliance with such 246
requirements or procedures. 247

(D) A ~~pledgor~~licensee may ~~pay~~accept a portion of the 248
outstanding principal loan balance at any time. A pledgor may 249
redeem a pawn loan at any time after ~~seventy-two hours have~~ 250
~~passed since~~ the pledge was made. A pledgor may not prepay 251
interest or storage charges, other than the current month, 252
except when the pledgor redeems the pledged property. Prepayment 253
of interest and storage charges may not occur at the time the 254
loan is originated. 255

Sec. 4727.08. (A) Every person licensed as a pawnbroker	256
shall keep and use separate pawn forms and purchase forms to be	257
approved by the superintendent of financial institutions.	258
(B) The licensee shall record on the appropriate form for	259
each pawn or purchase all of the following information:	260
(1) The date and time of the pledging or purchasing;	261
(2) The amount of the loan or the purchase price;	262
(3) The rate of interest and the charges to be paid on the	263
loan;	264
(4) The time within which the pledgor is to redeem the	265
pledged property;	266
(5) The name, age, and address of the pledgor or seller;	267
(6) A driver's license number, military identification	268
number, or other personal identification number;	269
(7) A physical description of the pledgor or seller;	270
(8) An accurate description of the pledged or purchased	271
property, including the name of the manufacturer, any serial and	272
model numbers, any identifying features, and any identifying	273
letters or marks;	274
(9) Any other disclosures required by federal law.	275
(C) A copy of each form used in a pawn or purchase shall	276
be kept at all times in numerical order in an active or inactive	277
file, as appropriate, and the licensee shall account for all	278
form numbers.	279
(D) The records and forms, at all times, shall be kept at	280
the licensed location and available for inspection <u>at the</u>	281
<u>licensed location</u> by the superintendent and by the chief of	282

police of the municipal corporation or township in which the 283
licensee's place of business is located or, if the place of 284
business is not located within a municipal corporation or a 285
township that has a chief of police, by the sheriff of the 286
county in which the place of business is located. Upon 287
reasonable and specific demand of any of them, the licensee 288
shall produce and show any records, forms, pledges, or purchases 289
which are in the licensee's possession. 290

(E) Except in the case of a pledged motor vehicle, 291
watercraft, or outboard motor, the licensee shall keep all 292
pledges and purchases at the licensee's place of business unless 293
a pledgor, in writing, agrees otherwise at the time the pledge 294
is made. If the item pledged for the pawn loan is a motor 295
vehicle, watercraft, or outboard motor, the licensee shall take 296
possession of both the motor vehicle, watercraft, or outboard 297
motor and the certificate of title to the motor vehicle, 298
watercraft, or outboard motor and shall keep the certificate at 299
the licensee's place of business but, upon notification to the 300
pledgor, may keep the motor vehicle, watercraft, or outboard 301
motor at a location other than the licensee's place of business. 302
No pledge shall be removed from the place of business for the 303
licensee's personal use or gain. 304

(F) Every person licensed as a pawnbroker under this 305
chapter shall keep and use an intelligible set of books and 306
records in the English language in complying with this chapter 307
with respect to recording the details of each purchase or loan. 308
Except as provided in division (J) of this section, all 309
information required to be recorded by this chapter shall be 310
entered in a bound book or on loose-leaf, permanent forms used 311
exclusively for that purpose. Forms shall be identical and 312
consecutively numbered, and each shall contain two or more 313

pages. One part of each form shall be detachable and, when 314
completed, shall serve as the statement to be given by the 315
licensee to the pledgor or seller as provided by section 4727.07 316
of the Revised Code, ~~the~~. The remaining part of the form shall 317
be retained in the licensee's permanent records. All forms shall 318
be accounted for. 319

(G) No licensee shall require a borrower to affix the 320
borrower's signature to a blank or partially filled out pawn 321
form or other record. 322

(H) Every licensee shall preserve the licensee's books, 323
forms, accounts, and records for at least two years after making 324
the final entry regarding any purchase or pledge of property 325
recorded therein. 326

(I) All pawn and purchase forms, legal notices, and 327
payment receipt forms shall reflect the name under which the 328
licensee is registered with the superintendent and the complete 329
address of the place of business at which the pawn transaction 330
is conducted. 331

(J) Notwithstanding any other provision of this chapter, a 332
licensee may use other methods of recording data, keeping 333
records, and keeping books, such as electronic or computerized 334
methods, in lieu of the methods described in this section, 335
provided written printouts or hard copies of the required data 336
are readily available in a form approved, in advance, by the 337
superintendent. 338

Sec. 4727.09. (A) A person licensed as a pawnbroker shall, ~~—~~ 339
~~every day, furnish~~ provide the following information directly to 340
the chief of police of the municipal corporation or township in 341
which the licensee's place of business is located or, if the 342

place of business is not located within a municipal corporation 343
or a township that has a chief of police, directly to the 344
sheriff of the county in which the place of business is located: 345

(1) A description of all property pledged with or 346
purchased by the licensee; 347

(2) The number of the pawn or purchase form the licensee 348
used to document the pledge or purchase. 349

~~(B) A licensee shall provide the property description and- 350
form number required by division (A) of this section on the form- 351
furnished by the law enforcement officer requesting the- 352
information. The completed form may be communicated by- 353
electronic transfer or be in a magnetic media format. 354~~

~~(C) For the purposes of this section, a licensee need 355
provide only the information required by division (A) of this 356
section, except in the investigation of a specific crime. If the 357
chief of police or sheriff requests additional information from 358
a licensee in the investigation of a crime, the chief of police 359
or sheriff shall provide the licensee with the case number for 360
that investigation and the licensee shall include the case 361
number in the customer file. 362~~

(C) (1) All information submitted directly to the chief of 363
police or sheriff that is used for a law enforcement database 364
reporting system shall be purged two years from the date of the 365
transaction. A licensee shall not be required to provide any 366
information regarding a pawn or purchase transaction directly to 367
any third party, except to a chief of police or sheriff as 368
authorized by this section. No fee shall be assessed to a 369
licensee, a pledgor, or a seller for compliance with this 370
division. 371

(2) No person shall knowingly obtain access to a law enforcement database reporting system under false pretenses. 372
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(D) The information provided to the chief of police or sheriff under this chapter, including any information required under division (A) of this section and any information provided to a law enforcement agency in the investigation of a crime, shall remain confidential and proprietary information of the licensee and shall only be used for confidential and legitimate law enforcement purposes. In addition, any information provided to the chief of police or sheriff under this chapter shall not be a public record under section 149.43 of the Revised Code. 374
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(E) No chief of police or sheriff shall have the authority to regulate the electronic transmission of reportable data in a manner that is inconsistent with the requirements of this section. 383
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Sec. 4727.10. No person licensed as a pawnbroker shall recklessly receive any pledge or purchase any articles from any minor, ~~from any person who is at the time intoxicated or under the influence of a controlled substance, from any person who is known or believed by the licensee to be a thief or a receiver of stolen property,~~ or from any person identified in writing to the licensee by the chief of police of a municipal corporation or township, the sheriff, or the state highway patrol as a known or suspected thief or receiver of stolen property a court of law as prohibited from pledging or selling any articles to a pawnbroker. 387
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Sec. 4727.11. (A) If a pledgor fails to pay interest and fees to a person licensed as a pawnbroker on a pawn loan for ~~two~~ three months from the date of the loan or the date on which the last interest payment is due, the licensee shall notify the 398
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pledgor by United States postal mail, with proof of mailing, to 402
the last place of address given by the pledgor, that unless the 403
pledgor redeems the pledged property or pays all interest due 404
and ~~storage charges~~ fees within thirty days from the date the 405
notice is mailed, the pledged property shall be forfeited to the 406
licensee. If the pledgor fails to redeem or pay all interest due 407
and ~~storage charges~~ fees within the period specified in the 408
notice, the licensee becomes the owner of the pledged property. 409

(B) In the event that any article or property is redeemed 410
by a person other than the pledgor, the pledgor shall sign the 411
pledgor's copy of the statement required under section 4727.07 412
of the Revised Code, which copy shall be presented by the person 413
to the licensee. The licensee shall verify the name of the 414
person redeeming the article or property, and shall record the 415
person's name and driver's license number, or other personal 416
identification number, on the licensee's copy of the statement, 417
and shall require the person to sign this copy. 418

(C) In the event that any articles or property pledged are 419
lost or rendered inoperable due to negligence of the licensee, 420
the licensee shall replace the articles or property with 421
identical articles or property, except that if the licensee 422
cannot reasonably obtain identical articles or property, the 423
licensee shall replace the articles or property with like 424
articles or property. 425

(D) When an account is paid in full, the licensee shall 426
return the pledged article immediately to the pledgor. In the 427
event the pledgor sells, transfers, or assigns the pledge, the 428
licensee shall verify the name of the person redeeming the 429
pledge and record that person's name, driver's license number, 430
and signature on the permanent copy of the statement of pledge 431

required pursuant to section 4727.07 of the Revised Code. The 432
licensee also shall obtain the signature of the pledgor, or 433
other person redeeming the pledge, upon a separate record of the 434
transaction, that acknowledges the total dollar amount paid for 435
redemption and the date of redemption. All records shall be kept 436
in the licensee's place of business at which the transaction was 437
conducted. 438

Sec. 4727.12. (A) A person licensed as a pawnbroker ~~shall~~ 439
~~retain any and all goods or articles pledged with the licensee~~ 440
~~until the expiration of seventy-two hours after the pledge is~~ 441
~~made, and shall retain any goods or articles purchased by the~~ 442
licensee until the expiration of fifteen days after the purchase 443
is made. The licensee may dispose of such goods or articles 444
sooner with the written permission of the chief of police of the 445
municipal corporation or township in which the licensee's place 446
of business conducting the pawn transaction is located or, if 447
the place of business is not located within a municipal 448
corporation or township that has a chief of police, with the 449
written permission of the sheriff of the county in which the 450
business is located. 451

(B) If the chief of police or sheriff to whom the licensee 452
makes available the information required by section 4727.09 of 453
the Revised Code has probable cause to believe that the article 454
described therein is stolen property, the chief or sheriff shall 455
notify the licensee in writing. Upon receipt of such a notice, 456
the licensee shall retain the article until the expiration of 457
thirty days after the day on which the licensee is first 458
required to make available the information required by section 459
4727.09 of the Revised Code, unless the chief or sheriff 460
notifies the licensee in writing that the licensee is not 461
required to retain the article until such expiration. 462

(C) If the chief or sheriff receives a report that 463
property has been stolen and determines the identity of the 464
person claiming to be the true owner of the allegedly stolen 465
property that has been purchased or pawned and is held by a 466
licensee, and informs the licensee of the ~~true owner's~~ 467
claimant's identity, the licensee may restore the allegedly 468
stolen property to the ~~true owner~~ claimant directly. 469

If a licensee fails to restore the allegedly stolen 470
property, the ~~true owner~~ claimant may recover the property from 471
the licensee in an action at law. 472

(D) If the licensee returns the allegedly stolen property 473
to the ~~true owner~~ claimant, the licensee may charge the person 474
who pledged or sold the allegedly stolen property to the 475
licensee, and any person who acted in consort with the pledgor 476
or the seller to defraud the licensee, the amount the licensee 477
paid or loaned for the allegedly stolen property, plus interest 478
and storage charges provided for in section 4727.06 of the 479
Revised Code. 480

(E) If property in the possession of a licensee was leased 481
from a lessor to a pledgor or seller when the pledgor or seller 482
pledged or sold the property to the licensee, but the property 483
did not have a permanent label or other conspicuous mark 484
identifying it as the lessor's property, the licensee shall 485
return the property to the lessor-claimant if the lessor- 486
claimant does both of the following: 487

(1) Provides the licensee with evidence that the property 488
is owned by the lessor and was leased to the pledgor or seller 489
at the time the property was pledged or sold to the licensee; 490

(2) Pays the licensee either of the following: 491

(a) The amount financed and the finance fees for the pawn transaction, if the property was pledged to the licensee; 492
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(b) The lessor pays an amount equal to the amount the licensee paid the seller plus ten per cent of that amount, if the property was sold to the licensee. 494
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A licensee shall not be liable to the pledgor or the seller of property that is recovered by a lessor-claimant under this section for returning property to a lessor-claimant. 497
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Sec. 4727.151. It shall not be a violation of law for a person licensed as a pawnbroker to comply with the provisions of this chapter. 500
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Sec. 4727.19. (A) Effective with the two-year period that begins June 30, ~~2000~~2016, and every two-year period thereafter, each ~~person~~ location or branch licensed as a pawnbroker under this chapter shall ~~complete~~ have at least one person employed at each of the licensee's offices or places of business who has completed by the end of the period at least ~~twelve~~ eight hours of continuing education instruction offered in a course or program approved by the superintendent of financial institutions after consultation with an industry representative selected by the superintendent. 503
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(B) ~~Any person licensed under this chapter who has more than three employees shall designate an individual to the superintendent as a salesperson. Effective with the two year period that begins June 30, 2000, and every two year period thereafter, a salesperson shall complete by the end of the period at least eight hours of continuing education instruction offered in a course or program approved by the superintendent in consultation with a designated industry representative.~~ 513
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~~(C) Each location of those persons licensed under this chapter who have three or more employees shall have at least one salesperson who meets the continuing education requirements of this section.~~ 521
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~~(D)~~ The superintendent, in accordance with ~~chapter~~ Chapter 119. of the Revised Code, may suspend, revoke, or refuse to renew the license of any licensee who fails to comply with this section. 525
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~~(E)~~ ~~(C)~~ The superintendent, in accordance with ~~chapter~~ Chapter 119. of the Revised Code, may adopt rules regarding continuing education fees, locations, times, frequency, and waivers of requirements. 529
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Sec. 4727.20. (A) No person licensed as a pawnbroker under this chapter shall conduct business in this state, unless the licensee does either of the following: 533
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(1) Maintains liquid assets in a minimum amount of ~~fifty~~ seventy-five thousand dollars; 536
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(2) Obtains a surety bond issued by a bonding company or insurance company authorized to do business in this state. The bond shall be in favor of the superintendent of financial institutions and in the penal sum of at least ~~twenty-five~~ fifty thousand dollars. The licensee shall file a copy of the bond with the superintendent. The bond shall be for the exclusive benefit of any person injured by a licensee's violation of this chapter. The aggregate liability of the surety for any and all breaches of the conditions of the bond shall not exceed the penal sum of the bond. 538
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(B) The licensee shall give notice to the superintendent by certified mail, return receipt requested, of any action that 548
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is brought against the licensee and of any judgment that is 550
entered against the licensee by a person injured by a violation 551
of this chapter. The notice shall provide details sufficient to 552
identify the action or judgment and shall be filed with the 553
superintendent within ten days after the commencement of the 554
action or notice to the licensee of entry of a judgment. The 555
surety, within ten days after it pays any claim or judgment, 556
shall give notice to the superintendent by certified mail, 557
return receipt requested, of the payment, with details 558
sufficient to identify the person and the claim or judgment 559
paid. 560

(C) Whenever the penal sum of the surety bond is reduced 561
by one or more recoveries or payments, the licensee shall 562
furnish a new or additional bond under this section, so that the 563
total or aggregate penal sum of the bond or bonds equals the sum 564
required by this section, or shall furnish an endorsement 565
executed by the surety reinstating the bond to the required 566
penal sum of the bond. 567

(D) The liability of the surety on the bond to the 568
superintendent and to any person injured by a violation of this 569
chapter is not affected in any way by any misrepresentation, 570
breach of warranty, or failure to pay the premium, by any act or 571
omission upon the part of the licensee, by the insolvency or 572
bankruptcy of the licensee, or by the insolvency of the 573
licensee's estate. The liability for any act or omission that 574
occurs during the term of the surety bond shall be maintained 575
and in effect for at least two years after the date on which the 576
surety bond is terminated or canceled. 577

(E) The licensee shall not cancel the surety bond except 578
upon notice to the superintendent by certified mail, return 579

receipt requested. The cancellation is not effective prior to	580
thirty days after the superintendent receives the notice.	581
(F) No licensee shall fail to comply with this section.	582
Section 2. That existing sections 4727.01, 4727.03,	583
4727.04, 4727.06, 4727.08, 4727.09, 4727.10, 4727.11, 4727.12,	584
4727.19, and 4727.20 of the Revised Code are hereby repealed.	585