

Senate Bill 198

By: Senators Miles of the 43rd, Fort of the 39th and Tate of the 38th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 5 of Article 3 of Chapter 12 of Title 44 of the Official Code of Georgia
2 Annotated, relating to pawnbrokers, so as to limit the annual interest rate chargeable on title
3 loans; to provide for related matters; to provide an effective date; to repeal conflicting laws;
4 and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Part 5 of Article 3 of Chapter 12 of Title 44 of the Official Code of Georgia Annotated,
8 relating to pawnbrokers, is amended by striking subparagraphs (a)(4)(A) through (a)(4)(E)
9 of Code Section 44-12-131, relating to the duration of pawn transactions and restrictions on
10 interest and fees, and inserting in their place the following:

11 "(4)(A) During the first 90 days of any pawn transaction or extension or continuation
12 of the pawn transaction, except as provided in subparagraph (C) of this paragraph, a
13 pawnbroker may charge for each 30 day period interest and pawnshop charges which
14 together equal no more than 25 percent of the principal amount advanced, with a
15 minimum charge of up to \$10.00 per 30 day period.

16 (B) On any pawn transaction which is continued or extended beyond 90 days, except
17 as provided in subparagraph (C) of this paragraph, a pawnbroker may charge for each
18 30 day period interest and pawnshop charges which together equal no more than 12.5
19 percent of the principal amount advanced, with a minimum charge of up to \$5.00 per
20 30 day period.

21 (C) Notwithstanding the provisions of subparagraphs (A) and (B) of this paragraph, in
22 a pawn transaction or in any extension or continuation of a pawn transaction involving
23 a motor vehicle or a motor vehicle certificate of title, a pawnbroker may not charge any
24 rate of interest greater than 5 percent per month, either directly or indirectly.

25 ~~(D)~~ In addition to the charges provided for in subparagraphs ~~(A)~~ and ~~(B)~~
26 subparagraph (C) of this paragraph, in a pawn transaction or in any extension or

1 continuation of a pawn transaction involving a motor vehicle or a motor vehicle
2 certificate of title, a pawnbroker may charge the following:

3 (i) A fee equal to no more than any fee imposed by the appropriate state to register
4 a lien upon a motor vehicle title, but only if the pawnbroker actually registers such a
5 lien;

6 (ii) No more than \$5.00 per day in storage fees, but only if an actual repossession
7 pursuant to a default takes place on a vehicle which was not already in the
8 pawnbroker's possession and only for each day the pawnbroker must actually retain
9 possession of the motor vehicle; and

10 (iii) A repossession fee of \$50.00 within 50 miles of the office where the pawn
11 originated, \$100.00 within 51 to 100 miles, \$150.00 within 101 to 300 miles and a fee
12 of \$250.00 beyond 300 miles, but only if an actual repossession pursuant to a default
13 takes place on a vehicle which was not already in the pawnbroker's possession.

14 ~~(D)~~(E) If a pledgor or seller requests that the pawnbroker mail or ship the pledged item
15 to the pledgor or seller, a pawnbroker may charge a fee for the actual shipping and
16 mailing costs, plus a handling fee equal to not more than 50 percent of the actual
17 shipping and mailing costs.

18 ~~(E)~~(F) In the event the pledgor or seller has lost or destroyed the original pawn ticket,
19 a pawnbroker may, at the time of redemption, charge a fee equal to not more than
20 \$2.00."

21 SECTION 2.

22 This Act shall become effective on July 1, 2005.

23 SECTION 3.

24 All laws and parts of laws in conflict with this Act are repealed.