

House Bill 675

By: Representatives Oliver of the 83rd, Hugley of the 133rd, Teilhet of the 40th, Buckner of the 130th, and Mosby of the 90th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 4 of Title 7 of the Official Code of Georgia Annotated,
2 relating to interest and usury generally, so as to include title pawn transactions; to amend
3 Title 44 of the Official Code of Georgia Annotated, relating to property, so as to change the
4 laws relating to pawnbrokers; to change definitions; to provide for different treatment of title
5 pawn transactions; to provide for reductions in interest and fees for title pawn transactions;
6 to provide for notice; to provide for criminal and civil penalties; to change provisions relating
7 to pawnbrokers' liens; to provide for related matters; to provide for an effective date and
8 applicability; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

10 Article 1 of Chapter 4 of Title 7 of the Official Code of Georgia Annotated, relating to
11 interest and usury generally, is amended by striking subsection (a) of Code Section 7-4-18,
12 relating to the criminal penalty for excessive interest, and inserting in its place the following:
13 "(a) Any person, company, or corporation who shall reserve, charge, or take for any loan
14 or advance of money, or forbearance to enforce the collection of any sum of money, any
15 rate of interest greater than 5 percent per month, either directly or indirectly, by way of
16 commission for advances, discount, exchange, or the purchase of salary or wages; by
17 notarial or other fees; or by any contract, contrivance, or device whatsoever shall be guilty
18 of a misdemeanor; provided, however, that regularly licensed pawnbrokers, as defined in
19 Code Section 44-12-130, are limited in the amount of interest they may charge only by the
20 limitations set forth in Code Section 44-12-131."

SECTION 2.

22 Title 44 of the Official Code of Georgia Annotated, relating to property, is amended by
23 striking Part 5 of Article 3 of Chapter 12, relating to pawnbrokers, and inserting in lieu
24 thereof a new Part 5 to read as follows:
25

"Part 5

44-12-130.

As used in this part, the term:

(1) 'Month' means that period of time from one date in a calendar month to the corresponding date in the following calendar month, but if there is no such corresponding date, then the last day of such following month.

~~(3)~~(2) 'Pawn transaction' means any loan on the security of pledged goods or any purchase of pledged goods on the condition that the pledged goods may be redeemed or repurchased by the pledgor or seller for a fixed price within a fixed period of time, excluding title pawn transactions as described in paragraph (6) of this Code section.

~~(2)~~(3) 'Pawnbroker' means any person engaged in whole or in part in the business of lending money on the security of pledged goods or motor vehicles or motor vehicle certificates of title, or in the business of purchasing tangible personal property on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time, or in the business of purchasing tangible personal property from persons or sources other than manufacturers or licensed dealers as a part of or in conjunction with the business activities described in this paragraph.

(4) 'Person' means an individual, partnership, corporation, joint venture, trust, association, or any other legal entity however organized.

(5) 'Pledged goods' means tangible personal property, ~~including, without limitation, all types of motor vehicles or any motor vehicle certificate of title,~~ which property is purchased by, deposited with, or otherwise actually delivered into the possession of a pawnbroker in connection with a pawn transaction. ~~However, for purposes of this Code section, possession of any motor vehicle certificate of title which has come into the possession of a pawnbroker through a pawn transaction made in accordance with law shall be conclusively deemed to be possession of the motor vehicle, and the pawnbroker shall retain physical possession of the motor vehicle certificate of title for the entire length of the pawn transaction but shall not be required in any way to retain physical possession of the motor vehicle at any time.~~ 'Pledged goods' shall not include choses in action, securities, or printed evidences of indebtedness.

(6) 'Title pawn transaction' means any loan on the security of a motor vehicle or a motor vehicle certificate of title. A pawnbroker shall retain physical possession of the motor vehicle certificate of title for the entire length of the title pawn transaction but shall not be required in any way to retain physical possession of the motor vehicle at any time.

1 44-12-131.

2 (a)(1) All pawn transactions shall be for 30 day periods but may be extended or
3 continued for additional 30 day periods.

4 ~~(2) A pawnbroker shall not lease back to the seller or pledgor any motor vehicle during
5 a pawn transaction or during any extension or continuation of the pawn transaction.~~

6 ~~(3) Unless otherwise agreed, a pawnbroker has upon default the right to take possession
7 of the motor vehicle. In taking possession, the pawnbroker or his agent may proceed
8 without judicial process if this can be done without breach of the peace or may proceed
9 by action.~~

10 ~~(4)~~(2)(A) During the first 90 days of any pawn transaction or extension or continuation
11 of the pawn transaction, a pawnbroker may charge for each 30 day period interest and
12 pawnshop charges which together equal no more than 25 percent of the principal
13 amount advanced, with a minimum charge of up to \$10.00 per 30 day period.

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

18 ~~(C) In addition to the charges provided for in subparagraphs (A) and (B) of this
19 paragraph, in a pawn transaction or in any extension or continuation of a pawn
20 transaction involving a motor vehicle or a motor vehicle certificate of title, a
21 pawnbroker may charge the following:~~

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

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

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

33 ~~(D)~~(C) If a pledgor or seller requests that the pawnbroker mail or ship the pledged item
34 to the pledgor or seller, a pawnbroker may charge a fee for the actual shipping and
35 mailing costs, plus a handling fee equal to not more than 50 percent of the actual
36 shipping and mailing costs.

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

3 ~~(5)(3) No other charge or fee of any kind by whatever name denominated, including but~~
 4 ~~not limited to any other storage fee for a motor vehicle, shall be made by a pawnbroker~~
 5 ~~except as set out in paragraph (4) (2) of this subsection.~~

6 ~~(6)(4) No fee or charge provided for in this Code section may be imposed unless a~~
 7 ~~disclosure regarding that fee or charge has been properly made as provided for in Code~~
 8 ~~Section 44-12-138.~~

9 ~~(7)(5)(A) Any interest, fees, or charges collected which are undisclosed, improperly~~
 10 ~~disclosed, or in excess of that allowed by this subsection may be recovered by the~~
 11 ~~pledgor or seller in an action at law in any superior court of appropriate jurisdiction.~~

12 (B) In any such action in which the pledgor or seller prevails, the court shall also award
 13 reasonable attorneys' fees, court costs, and any expenses of litigation to the pledgor or
 14 seller. The court may award punitive damages to the pledgor or seller if appropriate.

15 (C) Before filing an action under this Code section, the pledgor or seller shall provide
 16 the pawnbroker with a written notice by certified mail or statutory overnight delivery,
 17 return receipt requested, that such an action is contemplated, identifying any fees or
 18 charges which the pledgor or seller contends are undisclosed, improperly disclosed, or
 19 in excess of the fees and charges allowed by this Code section. ~~If the court finds that~~
 20 ~~during the 30 days following receipt of this notice the pawnbroker made a good faith~~
 21 ~~offer to return any excess, undisclosed, or improperly disclosed charges, the court shall~~
 22 ~~award reasonable attorneys' fees, court costs, and expenses of litigation to the~~
 23 ~~pawnbroker.~~

24 (D) No action shall be brought under this Code section more than two years after the
 25 pledgor or seller knew or should have known of the excess, undisclosed, or improperly
 26 disclosed charges or more than two years after the conclusion of the pawn transaction,
 27 whichever is later.

28 (b) Any interest, charge, or fees contracted for or received, directly or indirectly, in excess
 29 of the amounts permitted under subsection (a) of this Code section shall be uncollectable
 30 and the pawn transaction shall be void and the pledgor or seller shall have his or her
 31 pledged goods returned by the pawnbroker. All interest and the pawnshop charge allowed
 32 under subsection (a) of this Code section shall be deemed earned, due, and owing as of the
 33 date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the
 34 same day of the succeeding month.

1 44-12-131.1.

2 (a)(1) All title pawn transactions shall be for 30 day periods but may be extended or
3 continued for additional 30 day periods.

4 (2) A pawnbroker shall not lease back to the pledgor any motor vehicle during a title
5 pawn transaction or during any extension or continuation of the title pawn transaction.

6 (3) A pawnbroker has upon default the right to take possession of the motor vehicle only
7 upon written notice delivered via certified mail or statutory overnight delivery, return
8 receipt requested, ten business days prior to the repossession. Such notice shall state that
9 the pledgor has violated the terms of the title pawn transaction and that the pawnbroker
10 now has the right to repossess the motor vehicle. In taking possession, the pawnbroker
11 or his or her agent may proceed by civil action or may proceed without judicial process
12 only if such action can be taken without breach of the peace.

13 (4)(A) During the initial title pawn transaction or any extension or continuation of the
14 title pawn transaction, a pawnbroker shall charge an interest rate not to exceed that set
15 forth in Code Section 7-4-18, and no additional charges shall under any circumstances
16 be permissible except as provided in this paragraph.

17 (B) In addition to the interest provided for in subparagraph (A) of this paragraph, in a
18 title pawn transaction or in any extension or continuation of a title pawn transaction, a
19 pawnbroker may charge the following:

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

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

27 (iii) A repossession fee of \$50.00 within 50 miles of the office where the pawn
28 originated or a fee of \$100.00 beyond 50 miles, but only if an actual repossession
29 pursuant to a default takes place on a vehicle which was not already in the
30 pawnbroker's possession.

31 (5) No other charge or fee of any kind by whatever name denominated shall be made by
32 a pawnbroker except as set out in paragraph (4) of this subsection.

33 (6) No fee or charge provided for in this Code section may be imposed unless a
34 disclosure regarding that fee or charge has been properly made as provided for in Code
35 Section 44-12-138.

1 (7)(A) Any interest, fees, or charges collected which are undisclosed, improperly
 2 disclosed, or in excess of that allowed by this subsection may be recovered by the
 3 pledgor or seller in an action at law in any superior court of appropriate jurisdiction.

4 (B) In any such action in which the pledgor or seller prevails, the court shall also award
 5 reasonable attorneys' fees, court costs, and any expenses of litigation to the pledgor or
 6 seller. The court may award punitive damages to the pledgor or seller if appropriate.

7 (C) Before filing an action under this Code section, the pledgor or seller shall provide
 8 the pawnbroker with a written notice by certified mail or statutory overnight delivery,
 9 return receipt requested, that such an action is contemplated, identifying any fees or
 10 charges which the pledgor or seller contends are undisclosed, improperly disclosed, or
 11 in excess of the fees and charges allowed by this Code section.

12 (D) No action shall be brought under this Code section more than two years after the
 13 pledgor or seller knew or should have known of the excess, undisclosed, or improperly
 14 disclosed charges or more than two years after the conclusion of the pawn transaction,
 15 whichever is later.

16 (b) Any interest, charge, or fees contracted for or received, directly or indirectly, in excess
 17 of the amounts permitted under subsection (a) of this Code section shall be uncollectable
 18 and the pawn transaction shall be void. All interest and the pawnshop charge allowed
 19 under subsection (a) of this Code section shall be deemed earned, due, and owing as of the
 20 date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the
 21 same day of the succeeding month.

22 44-12-132.

23 Every pawnbroker shall maintain a permanent record book in which shall be entered in
 24 legible English at the time of each loan, purchase, or sale:

25 (1) The date of the transaction;

26 (2) The name of the person conducting the transaction;

27 (3) The name, age, and address of the customer; a description of the general appearance
 28 of the customer; and the distinctive number from the customer's driver's license or other
 29 similar identification card;

30 (4) An identification and description of the pledged or purchased goods, including, if
 31 reasonably available, the serial, model, or other number, and all identifying marks
 32 inscribed thereon;

33 (5) The number of the receipt or pawn ticket;

34 (6) The price paid or the amount loaned;

35 (7) If payment is made by check, the number of the check issued for the purchase price
 36 or loan;

- 1 (8) The maturity date of the transaction; ~~and~~
 2 (9) The signature of the customer; and
 3 (10) A statement as to whether the transaction was a pawn transaction or a title pawn
 4 transaction.

5 44-12-133.

6 Entries shall appear in ink and shall be in chronological order. No blank lines may be left
 7 between entries. No obliterations, alterations, or erasures may be made. Corrections shall
 8 be made by drawing a line of ink through the entry without destroying its legibility. The
 9 book shall be open to the inspection of any duly authorized law enforcement officer during
 10 the ordinary hours of business or at any reasonable time and shall be discoverable in any
 11 legal proceeding.

12 44-12-134.

13 The record of each pawn or purchase transaction provided for in Code Sections 44-12-132
 14 and 44-12-133 shall be maintained for a period of not less than four years.

15 44-12-135.

16 Nothing in this part shall supersede existing local laws nor relieve a pawnbroker from the
 17 necessity of complying with them. The requirements of local laws shall be construed as
 18 cumulative to this part.

19 44-12-136.

20 Municipal authorities may license pawnbrokers, define their powers and privileges by
 21 ordinance, impose taxes upon them, revoke their licenses, and exercise such general
 22 supervision as will ensure fair dealing between the pawnbroker and his or her customers.

23 44-12-137.

24 (a) Any pawnbroker and any clerk, agent, or employee of such pawnbroker who shall:

- 25 (1) Fail to make an entry of any material matter in his the permanent record book;
 26 (2) Make any false entry therein;
 27 (3) Falsify, obliterate, destroy, or remove from his the pawnbroker's place of business
 28 such permanent record book;
 29 (4) Refuse to allow any duly authorized law enforcement officer who is certified by the
 30 Georgia Peace Officer Standards and Training Council or who is a federal officer to
 31 inspect his the permanent record book or any goods in his or her possession during the
 32 ordinary hours of business or at any reasonable time;

1 (5) Fail to maintain a record of each pawn transaction for at least four years;

2 (6) Accept a pledge or purchase property from a person under the age of 18 years or who
3 the pawnbroker knows is not the true owner of such property;

4 (7) Make any agreement requiring the personal liability of a pledgor or seller or waiving
5 any of the provisions of this part or providing for a maturity date less than one month
6 after the date of the pawn transaction; or

7 (8) Fail to return or replace pledged goods to a pledgor or seller upon payment of the full
8 amount due the pawnbroker unless the pledged goods have been taken into custody by
9 a court or a law enforcement officer or agency,

10 shall be guilty of a misdemeanor upon conviction for the first offense and of a
11 misdemeanor of a high and aggravated nature upon conviction for the second and any
12 subsequent offense.

13 (b) Any person properly identifying himself or herself and presenting a pawn ticket to the
14 pawnbroker shall be presumed to be the pledgor or seller and shall be entitled to redeem
15 the pledged goods described in such ticket. In the event such pledged goods are lost or
16 damaged while in the possession of the pawnbroker, it shall be the responsibility of the
17 pawnbroker to replace the lost or damaged goods with like kinds of merchandise and proof
18 of replacement shall be a defense to prosecution. For the purposes of this subsection, 'lost'
19 includes destroyed or having disappeared because of any cause, whether known or
20 unknown, that results in the pledged goods being unavailable for return to the pledgor.

21 44-12-138.

22 (a)(1) Any pawnbroker as defined in paragraph ~~(2)~~(3) of Code Section 44-12-130 shall
23 include most prominently in any and all types of advertisements the word 'pawn' or the
24 words 'pawn transaction:' and the words 'title pawn,' if appropriate. A pawnbroker shall
25 not use the term 'loan' in any advertisements or in connection with any advertising of the
26 business of the pawnbroker; provided, however, that the provisions of this sentence shall
27 not apply to a pawnbroker in business on March 1, 1992, which uses the term 'loan' in
28 connection with the name of the business or with advertising of the business.

29 (2) On any sign advertising a pawnbroker's business, the words on such sign shall be in
30 at least 24 inch high letters. ~~On any other sign on the property where the pawnbroker's~~
31 ~~business is located which advertises any other activities or business engaged in by the~~
32 ~~person who is a pawnbroker, the words on such sign shall be in 12 inch high letters or~~
33 ~~smaller;~~ provided, however, that the provisions of this paragraph shall not apply to signs
34 of pawnbrokers which signs are in existence on March 1, 1992.

35 (b) Every pawnbroker in every pawn transaction or title pawn transaction shall present the
36 pledgor or seller with a written disclosure ticket or statement in at least nine-point type,

1 appropriately completed, with no other written or pictorial matter except as provided in
 2 subsection (c) of this Code section, containing the following information:

3 (1) Information identifying the pawnbroker by name and address;

4 (2) A statement as follows:

5 "This is a pawn transaction. Failure to make your payments as described in this
 6 document can result in the loss of the pawned item. The pawnbroker can sell or keep
 7 the item if you have not made all payments by the specified maturity date.';

8 (3) If the pawned item is a motor vehicle or motor vehicle certificate of title, a statement
 9 as follows:

10 'Failure to make your payment as described in this document can result in the loss of
 11 your motor vehicle. The pawnbroker can also charge you certain fees if he or she
 12 actually repossesses the motor vehicle.';

13 (4) A statement that the length of the pawn transaction or title pawn transaction is 30
 14 days and that it can only be renewed with the agreement of both parties and only for 30
 15 day incremental periods;

16 (5) For pawn transactions:

17 (A) The annual percentage rate, computed in accordance with the federal Truth in
 18 Lending Act and regulations under the federal Truth in Lending Act, for the first 30
 19 days of the transaction, computed as if all interest and pawnshop charges were
 20 considered to be interest;

21 ~~(6)~~(B) The annual percentage rate, computed in accordance with the federal Truth in
 22 Lending Act and regulations under the federal Truth in Lending Act, for each 30 day
 23 period in which the pawn transaction might be continued or extended, computed as if
 24 all interest and pawnshop charges were considered to be interest. For purposes of
 25 identifying the annual percentage rate after the second continuation or extension, a
 26 single statement which identifies an annual percentage rate for each possible 30 day
 27 period thereafter shall meet the requirements of this Code section;

28 (6) For title pawn transactions, the annual percentage rate, computed in accordance with
 29 the federal Truth in Lending Act and regulations under the federal Truth in Lending Act
 30 and the provisions of Code Section 7-4-18 for the first 30 day period and each 30 day
 31 period in which the pawn transaction might be continued or extended, computed as if all
 32 interest and pawnshop charges were considered to be interest;

33 (7) A statement in dollar amounts of how much it will cost the seller or pledgor to
 34 redeem the merchandise in the first 30 day period of the transaction;

35 (8) A statement in dollar amounts of how much it will cost the seller or pledgor to
 36 redeem the merchandise in any 30 day period after the first 30 day period of the pawn
 37 transaction, provided that all fees and charges have been kept current;

1 (9) A statement of the specific maturity date of the pawn transaction;

2 (10) A statement of how long, the grace period, the pledged goods may be redeemed
3 after the specific maturity date and the dollar amount which will be required to redeem
4 the pledged goods after the specific maturity date;

5 (11) A statement that after the grace period the pledged goods become the property of
6 the pawnbroker;

7 (12) If the pawn transaction involves a motor vehicle or motor vehicle certificate of title,
8 a statement that the pawnbroker may not charge a storage fee for the motor vehicle unless
9 the pawnbroker repossesses the motor vehicle pursuant to a default;

10 (13) If the pawn transaction involves a motor vehicle or motor vehicle certificate of title,
11 a statement that the pawnbroker may charge a storage fee for a repossessed motor vehicle
12 not to exceed \$5.00 per day, but only if the pawnbroker actually repossesses and actually
13 must store the motor vehicle;

14 (14) If the pawn transaction involves a motor vehicle or motor vehicle certificate of title,
15 a statement that the pawnbroker may charge a repossession fee, not to exceed \$50.00, or
16 \$100.00 if the vehicle is located more than 50 miles from the pawnshop, but only if the
17 pawnbroker actually repossesses the motor vehicle;

18 (15) If the pawn transaction involves a motor vehicle or motor vehicle certificate of title,
19 a statement that the pawnbroker may charge a fee to register a lien upon the motor vehicle
20 certificate of title, not to exceed any fee actually charged by the appropriate state to
21 register a lien upon a motor vehicle certificate of title, but only if the pawnbroker actually
22 places such a lien upon the motor vehicle certificate of title;

23 (16) A statement that any costs to ship the pledged items to the pledgor or seller can be
24 charged to the pledgor or seller, along with a handling fee to equal no more than 50
25 percent of the actual costs to ship the pledged items; and

26 (17) ~~A statement that a fee of up to \$2.00 can be charged for each lost or destroyed pawn~~
27 ~~ticket~~ Any other information required to be disclosed to consumers by any other law, rule,
28 or regulation of the United States or of the State of Georgia.

29 (c) In addition to the information required by subsection (b) of this Code section, the
30 pawnbroker may, but is not required to, include the following information on the same
31 disclosure ticket or statement, provided that such information is not used to obscure or
32 obfuscate the information required by subsection (b) of this Code section:

33 (1) Information identifying the pledgor or seller;

34 (2) Any logo which the pawnbroker may desire to use;

35 (3) Any numbers or characters necessary for the pawnbroker to identify the merchandise
36 or goods associated with the pawn transaction;

1 ~~(4) Any other information required to be disclosed to consumers by any other law, rule,~~
 2 ~~or regulation of the United States or of the State of Georgia;~~

3 ~~(5)~~(4) Information identifying or describing the pledged item;

4 ~~(6)~~(5) Information which is only for the internal business use of the pawnbroker;

5 ~~(7)~~(6) The hours of operation of the pawnbroker;

6 ~~(8)~~(7) The time of day of the pawn transaction; and

7 ~~(9)~~(8) Any agreement between the pledgor or seller and the pawnbroker which does not
 8 controvert the provisions of this part, of Part 5 of Article 8 of Chapter 14 of this title, or
 9 of Part 2 of Article 15 of Chapter 1 of Title 10.

10 (d) The pawnbroker shall have the pledgor or seller sign the disclosure statement and shall
 11 furnish a completed copy to the pledgor or seller. The pawnbroker shall maintain a
 12 completed and signed copy of the disclosure statement on file for two years subsequent to
 13 the maturity date of the pawn transaction. Failure to maintain such a copy shall be
 14 conclusive proof that the pawnbroker did not furnish such a statement to the pledgor or
 15 seller.

16 (e) Notwithstanding anything to the contrary contained elsewhere in this Code section, no
 17 municipality or local government may impose any requirements upon a pawnbroker
 18 regarding the disclosures which must be made to a pledgor or seller or which must be made
 19 in the pawn ticket, other than those requirements contained in this Code section.

20 44-12-139.

21 Unless specified to the contrary in this part, the failure of any pawnbroker to do anything
 22 required of him or her under this part or the act of doing anything prohibited under this part
 23 shall cause the pawnbroker, upon a first conviction, to be guilty of a misdemeanor
 24 punishable by a fine not to exceed \$500.00 or by 12 months' imprisonment, or both. Upon
 25 a second or subsequent conviction, the pawnbroker shall be guilty of a misdemeanor of a
 26 high and aggravated nature."

27 SECTION 3.

28 Said title is further amended by striking Code Section 44-14-403, relating to liens of
 29 pawnbrokers and actions for interference, and inserting in lieu thereof a new Code Section
 30 44-14-403 to read as follows:

31 "44-14-403.

32 (a) A pawnbroker shall have a lien on the pledged goods pawned for the money advanced,
 33 interest, and pawnshop charge owed but not for other debts due to him: He or her. The
 34 pawnbroker may retain possession of the pledged goods until his the lien is satisfied and
 35 may have a right of action against anyone interfering therewith.

1 (b)(1) There shall be a grace period on all pawn transactions. On pawn transactions
 2 involving motor vehicles or motor vehicle certificates of title, the grace period shall be
 3 30 calendar days; on all other pawn transactions the grace period shall be ten calendar
 4 days. In the event that the last day of the grace period falls on a day in which the
 5 pawnbroker is not open for business, the grace period shall be extended through the first
 6 day following upon which the pawnbroker is open for business. The pawnbroker shall
 7 not sell the pledged goods during the grace period.

8 (2) By agreement of the parties, the maturity date of the pawn transaction or title pawn
 9 transaction may be extended or continued for 30 day periods, provided that the interest
 10 rates and charges as specified in Code Section 44-12-131 or 44-12-131.1 are not
 11 exceeded. The grace period shall begin running on the first day following the maturity
 12 date of the pawn transaction or title pawn transaction or on the first day following the
 13 expiration of any extension or continuation of the pawn transaction or title pawn
 14 transaction, whichever occurs later. All extensions or continuations of the pawn
 15 transaction or title pawn transaction shall be evidenced in writing.

16 (3) Pledged goods may be redeemed by the pledgor or seller within the grace period by
 17 the payment of any unpaid accrued fees and charges, the repayment of the principal, and
 18 the payment of an additional interest charge not to exceed 12.5 percent of the principal.
 19 Pledged goods not redeemed within the grace period shall be automatically forfeited to
 20 the pawnbroker by operation of this Code section, and any ownership interest of the
 21 pledgor or seller shall automatically be extinguished as regards the pledged item.

22 (4) Any attempt to circumvent the interest rates and charges as specified in Code Section
 23 44-12-131 or 44-12-131.1 shall be null and void. A pawn transaction or title pawn
 24 transaction shall be considered to have been extended or continued unless:

25 (A) All charges, fees, and the principal have actually been paid or repaid on the
 26 previous pawn transaction or title pawn transaction;

27 (B) The pledged goods in the previous transaction, including but not limited to a motor
 28 vehicle certificate of title, have actually been restored to the possession of the pledgor
 29 or seller; and

30 (C) The pledged goods in the previous transaction have been removed from the
 31 business premises of the pawnbroker and, in the case of a motor vehicle certificate of
 32 title, any lien on the motor vehicle certificate of title has been removed or released."

33 SECTION 4.

34 This Act shall become effective on July 1, 2005, and shall apply to all transactions entered
 35 into on or after that date.

1

SECTION 5.

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