

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2208

SPONSOR: Agriculture and Consumer Services Committee and Senator Geller

SUBJECT: Pawnbroking

DATE: March 6, 2002                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Akhavein</u>	<u>Poole</u>	<u>AG</u>	<u>Favorable/CS</u>
2.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

This bill revises the Florida Pawnbroking Act. To be eligible for a pawnbroker's license, an applicant must certify to the Department of Agriculture and Consumer Services (department) that it has completed 15 hours of classroom education on legal and ethical considerations in pawnshop transactions, victims' rights, safety and security, consumer and community relations, and the laws and related rules of the Florida Pawnbroking Act. At the time a license is renewed for a pawnshop, a licensee would be required to demonstrate to the department that it has completed 10 hours of classroom education. The bill exempts a person who holds licenses for more than 40 pawnshops from these education requirements, after proof that an in-house training program is provided. The Florida Pawnbrokers Association, as well as any person who can provide equivalent instruction, is authorized to offer the required classroom education. The bill also requires certain recordkeeping and reporting to the department concerning individuals who have completed the education.

This bill amends section 539.001, Florida Statutes.

## II. Present Situation:

In 1996, the Legislature created the Florida Pawnbroking Act to authorize the Department of Agriculture and Consumer Services to license and regulate pawnbrokers. There are approximately 1,300 pawnshops in Florida. A pawn is the advancement of funds on the security of pledged goods on condition that the pledged goods are left in the possession of the pawnbroker for the duration of the pawn and may be redeemed by the pledgor on certain terms and conditions.

Pawnbrokers must annually obtain a license from the department and pay an annual fee of \$300. To be eligible for a license, the applicant must:

- Be of good moral character;
- Have a net worth of at least \$50,000 or file with the department a surety bond, irrevocable letter of credit, or a certificate of deposit in the amount of \$10,000;
- Not have been incarcerated within the last 10 years or have a criminal background, arising within the last 10 years, relating to property, embezzlement or other fraudulent or dishonest dealing; and
- Not have been convicted and not be acting as a beneficial owner for someone who has a criminal background in these areas.

### III. Effect of Proposed Changes:

**Section 1.** Amends s. 539.001, F.S., to revise pawnbroker licensure requirements. Requires the licensee, at the time of renewal, to demonstrate to the Department of Agriculture and Consumer Services (department) that it has completed 10 hours of classroom education on legal and ethical considerations in pawnshop transactions, victims' rights, safety and security, consumer and community relations, and the laws and related rules of the Florida Pawnbroking Act. Requires certification that 15 hours of classroom education has been completed to be eligible for a pawnbroker's license. Exempts a person who holds licenses for more than 40 pawnshops from these education requirements, after proof that an in-house training program is provided. Authorizes the Florida Pawnbrokers Association (Association), as well as any person who can provide equivalent instruction, to offer the required classroom education.

Requires the Association to keep an accurate record of persons who attend the classroom education and to furnish the department with a list of those individuals who have successfully completed the classes. Specifies that at least 50 percent of the educational hours must be satisfied by attendance at a live lecture or live seminar. Requires the Association to furnish certificates to each person who successfully completes the classroom education requirements. Requires the pawnbroker to prominently display the certificate at each pawnshop.

**Section 2.** Provides that this act shall take effect July 1, 2002, except for certain provisions which shall take effect December 31, 2002.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Anyone applying for a pawnbroker license or renewing a license would have to pay an undetermined fee for the educational classes required by the bill. This education will result in greater consumer protection to customers of pawnshops and to victims of crime.

**C. Government Sector Impact:**

The Department of Agriculture and Consumer Services anticipates that the bill will have a minimal fiscal impact.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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