

# FINAL BILL REPORT

## HB 1071

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Synopsis as Enacted

**Brief Description:** Repealing an expiration date for legislation enacted in 2015 regarding pawnbroker fees and interest rates.

**Sponsors:** Representatives Kirby and Vick.

**House Committee on Business & Financial Services**  
**Senate Committee on Financial Institutions & Insurance**

### **Background:**

A pawnbroker is a person engaged, in whole or in part, in the business of loaning money on the security of pledges, deposits or conditional sales of personal property, or the purchase and sale of personal property.

Pawnbrokers may issue loans for up to 90 days. The maximum allowable interest rates and fees are governed by a schedule.

The interest rate schedule contains 12 categories of loan amounts with interest rates for each 30-day period ranging from \$1 to 4 percent of the loan amount. The preparation fee rate schedule contains 17 categories of loan amounts with fee rates ranging from \$1.50 to 6 percent of the loan amount. A pawnbroker may also charge a general storage fee of \$5 and an additional \$5 fee for the storage of a firearm.

These interest rates and fees are set to expire on July 1, 2018; at that time the interest rates and fees will return to the amounts in place prior to 2015:

- the interest rate for loan amounts of \$100 or more is 3 percent, the set fee rates for loans up to \$99.99 remain the same;
- the loan preparation fee rate schedule contains 56 categories of loan amounts with fee rates ranging from \$1.50 to \$91; and
- the general storage fee is \$3 and an additional \$3 fee for the storage of a firearm.

### **Summary:**

The July 1, 2018 expiration date for pawnbroker loan interest rates and fees is removed.

### **Votes on Final Passage:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

House 97 0  
Senate 48 0

**Effective:** July 23, 2017