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**SUBSTITUTE HOUSE BILL 1815**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Heavey, Ballard, Haugen, Lisk, Cantwell, Edmondson, Rasmussen, Belcher, Spanel, Fuhrman, Winsley, Morris, Silver, Cole, May, Prentice, Grant, D. Sommers, Paris, Forner, Horn, Chandler, Casada and Moyer).

Read first time March 4, 1991.

1 AN ACT Relating to pawnbrokers and second-hand dealers; amending  
2 RCW 19.60.010, 19.60.020, 19.60.040, 19.60.045, 19.60.050, 19.60.055,  
3 19.60.060, 19.60.061, 19.60.062, and 19.60.066; and adding a new  
4 section to chapter 19.60 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 19.60.010 and 1985 c 70 s 1 are each amended to read  
7 as follows:

8 Unless the context clearly requires otherwise, the definitions in  
9 this section apply throughout this chapter.

10 (1) Melted metals means metals derived from metal junk or precious  
11 metals that have been reduced to a melted state from other than ore or  
12 ingots which are produced from ore that has not previously been  
13 processed.

1 (2) Metal junk means any metal that has previously been milled,  
2 shaped, stamped, or forged and that is no longer useful in its original  
3 form, except precious metals.

4 (3) Nonmetal junk means any nonmetal, commonly discarded item that  
5 is worn out, or has outlasted its usefulness as intended in its  
6 original form except nonmetal junk does not include an item made in a  
7 former period which has enhanced value because of its age.

8 (4) Pawnbroker means every person engaged, in whole or in part, in  
9 the business of loaning money on the security of ~~((pledges,))~~ pledged  
10 personal property, or deposits or conditional sales, or the purchase of  
11 personal property or sales of personal property.

12 (5) Precious metals means gold, silver, and platinum.

13 (6) Second-hand dealer means every person engaged in whole or in  
14 part in the business of purchasing, selling, trading, consignment  
15 selling, or otherwise transferring for value, second-hand property  
16 including metal junk, melted metals, precious metals, whether or not  
17 the person maintains a fixed place of business within the state.  
18 Second-hand dealer also means persons or entities conducting business  
19 at flea markets or swap meets, more than three times per year.

20 (7) Second-hand property means any item of personal property  
21 offered for sale which is not new, including metals in any form, except  
22 postage stamps, coins that are legal tender, bullion in the form of  
23 fabricated hallmarked bars, used books, and clothing of a resale value  
24 of seventy-five dollars or less, except furs.

25 (8) Transaction means a pledge, or the purchase of, or consignment  
26 of, or the trade of any item of personal property by a pawnbroker or a  
27 second-hand dealer from a member of the general public.

28 (9) "Term of the loan" means a period of thirty days, including the  
29 date of the loan.

1       (10) "Negotiable written instruments" include, but not limited to,  
2 stocks, bonds, notes, or promissory notes, and checks of any kind, and  
3 shall not be accepted nor shall they constitute personal property for  
4 the purpose of a loan transaction.

5       **Sec. 2.** RCW 19.60.020 and 1984 c 10 s 3 are each amended to read  
6 as follows:

7       (1) Every pawnbroker and second-hand dealer doing business in this  
8 state shall maintain wherever that business is conducted a record in  
9 which shall be legibly written in the English language, at the time of  
10 each transaction the following information:

11       (a) The signature of the person with whom the transaction is made;

12       (b) The date of the transaction;

13       (c) The name of the person or employee or the identification number  
14 of the person or employee conducting the transaction;

15       (d) The name, date of birth, sex, height, weight, race, and address  
16 and telephone number of the person with whom the transaction is made;

17       (e) A complete description of the property pledged, bought, or  
18 consigned, including the brand name, serial number, model number, any  
19 initials, engravings, size, patterns, and color of the stone or stones,  
20 and in the case of firearms, the caliber, barrel length, type of  
21 action, and whether it is a pistol, rifle, or shotgun;

22       (f) The price paid or the amount loaned;

23       (g) The type and identifying number of identification used by the  
24 person with whom the transaction is made, which shall consist of a  
25 valid drivers license or identification card issued by any state or two  
26 pieces of identification issued by a governmental agency, one of which  
27 shall be descriptive of the person identified. At all times, one piece  
28 of government issued picture identification is required, as long as

1 that identification meets the requirements as set forth in this  
2 section; and

3 (h) The nature of the transaction, a number identifying the  
4 transaction, the store identification number and the employee  
5 identification number, that may be used by the applicable law  
6 enforcement agency, or the name and address of the business and the  
7 name of the person or employee, conducting the transaction, and the  
8 location of the property.

9 (2) This record shall at all times during the ordinary hours of  
10 business, or at reasonable times if ordinary hours of business are not  
11 kept, be open to the inspection of any commissioned law enforcement  
12 officer of the state or any of its political subdivisions, and shall be  
13 maintained wherever that business is conducted for three years  
14 following the date of the transaction.

15 **Sec. 3.** RCW 19.60.040 and 1984 c 10 s 6 are each amended to read  
16 as follows:

17 (1) Upon request every pawnbroker and second-hand dealer doing  
18 business in the state shall furnish ~~((or mail within twenty-four hours~~  
19 ~~to the chief of police of the city or to the county's chief law~~  
20 ~~enforcement officer, on such forms as are provided by the chief of~~  
21 ~~police or the county's chief law enforcement officer, a full, true, and~~  
22 ~~correct transcript of the record of all transactions conducted on the~~  
23 ~~preceding day within the jurisdiction of the chief of police or the~~  
24 ~~county's chief law enforcement officer)) a full, true, and correct  
25 transcript of the record of all transactions conducted on the preceding  
26 day. These transactions shall be recorded on such forms as may be  
27 provided and in such format that may be required by the chief of police  
28 or the county's chief law enforcement officer within a specified time  
29 frame but not less than twenty-four hours. This information may be~~

1 transmitted to the applicable law enforcement agency electronically, by  
2 facsimile transmission, or by the use of a modem or similar device, or  
3 by delivery of a computer disc subject to the requirements of, and  
4 approval by, the chief of police or the county's chief law enforcement  
5 officer.

6 (2) If a pawnbroker or second-hand dealer has good cause to believe  
7 that any property in his or her possession has been previously lost or  
8 stolen, the pawnbroker or second-hand dealer shall promptly report that  
9 fact to the applicable chief of police or the county's chief law  
10 enforcement officer, together with the name of the owner, if known, and  
11 the date when, and the name of the person from whom it was received.

12 **Sec. 4.** RCW 19.60.045 and 1984 c 10 s 5 are each amended to read  
13 as follows:

14 Following notification from a law enforcement agency that an item  
15 of property has been reported as stolen, the pawnbroker or second-hand  
16 dealer shall hold that property intact and safe from alteration,  
17 damage, or commingling. The pawnbroker or second-hand dealer shall  
18 place an identifying tag or other suitable identification upon the  
19 property so held. Property held shall not be released for one hundred  
20 twenty days from the date of police notification unless released by  
21 written consent of the applicable law enforcement agency or by order of  
22 a court of competent jurisdiction. In cases where the applicable law  
23 enforcement agency has placed a verbal hold on an item, that agency  
24 must then give written notice within ten business days, if such written  
25 notice is not received within that period of time, then the hold order  
26 will cease. The pawnbroker or second-hand dealer shall give ((ten  
27 days)) a twenty-day written notice before the expiration of the one  
28 hundred twenty-day holding period to the applicable law enforcement  
29 agency about the stolen property. If notice is not given within ((the

1 ~~required ten-day period~~) twenty days, then the hold on the property  
2 shall continue for an additional one hundred twenty days. The  
3 applicable law enforcement agency may renew the holding period for  
4 additional one hundred twenty-day periods as necessary. If after the  
5 receipt of notification, from a pawnbroker or second-hand dealer, and  
6 an additional holding period is required, the applicable law  
7 enforcement agency shall give the pawnbroker or second-hand dealer  
8 written notice, prior to the expiration of the existing hold order. At  
9 no time shall any law enforcement agency place on hold any item of  
10 personal property, unless that agency reasonably suspects that the item  
11 of personal property is stolen. Any hold that is placed on an item  
12 will be removed as soon as it has been determined that the item in  
13 question was not stolen. Then the pawnbroker or second-hand dealer may  
14 continue with their normal course of business.

15 **Sec. 5.** RCW 19.60.050 and 1984 c 10 s 8 are each amended to read  
16 as follows:

17 Property bought or received in pledge by any pawnbroker shall not  
18 be removed from that place of business, except when redeemed by, or  
19 returned to the owner, within ((fifteen)) thirty days after the receipt  
20 of the property. Property shall at all times during the ordinary hours  
21 of business be open to inspection to any commissioned law enforcement  
22 officer of the state or any of its political subdivisions.

23 **Sec. 6.** RCW 19.60.055 and 1984 c 10 s 7 are each amended to read  
24 as follows:

25 (1) Property bought or received on consignment by ((a)) any second-  
26 hand dealer with a permanent place of business in the state shall not  
27 be removed from that place of business, except consigned property  
28 returned to the owner, within ((fifteen)) thirty days after the receipt

1 of the property. Property shall at all times during the ordinary hours  
2 of business be open to inspection to any commissioned law enforcement  
3 officer of the state or any of its political subdivisions.

4 (2) Property bought or received on consignment by ~~((a))~~ any second-  
5 hand dealer without a permanent place of business in the state, shall  
6 be held within the city or county in which the property was received,  
7 except consigned property returned to the owner, ~~((for fifteen))~~ within  
8 thirty days after receipt of the property. The property shall be  
9 available within the appropriate jurisdiction for inspection at  
10 reasonable times by any commissioned law enforcement officer of the  
11 state or any of its political subdivisions.

12 **Sec. 7.** RCW 19.60.060 and 1984 c 10 s 9 are each amended to read  
13 as follows:

14 All pawnbrokers are authorized to charge and receive interest and  
15 other fees at the following rates for money loaned on the security of  
16 personal property actually received in pledge:

17 (1) The interest shall not exceed:

18 (a) For an amount loaned up to ~~\$(~~19.99~~)~~ 9.99 - interest at \$1.00  
19 ~~((per month))~~ for each thirty-day period to include the loan date.

20 (b) For an amount loaned from ~~\$(~~20.00 to 39.99~~)~~ \$10.00 to \$19.99  
21 - interest at the rate of ~~\$(~~1.50 per month~~)~~ \$1.25 for each thirty-  
22 day period to include the loan date.

23 (c) For an amount loaned from ~~\$(~~40.00 to 75.99~~)~~ \$20.00 to \$24.99  
24 - interest at the rate of ~~\$(~~2.00 per month~~)~~ \$1.50 for each thirty-  
25 day period to include the loan date.

26 (d) For an amount loaned from ~~\$(~~76.00 to 100.99~~)~~ \$25.00 to  
27 \$34.99 - interest at the rate of ~~\$(~~2.50 per month~~)~~ \$1.75 for each  
28 thirty-day period to include the loan date.

1 (e) For an amount loaned from (~~(\$101.00 to \$125.99)~~) \$35.00 to  
2 \$39.99 - interest at the rate of (~~(\$3.00 per month;)~~) \$2.00 for each  
3 thirty-day period to include the loan date.

4 (f) For an amount loaned from (~~(\$126.00 or more)~~) \$40.00 to \$49.99  
5 - interest at the rate of (~~(three percent a month;)~~) \$2.25 for each  
6 thirty-day period to include the loan date.

7 (g) For the amount loaned from \$50.00 to \$59.99 - interest at the  
8 rate of \$2.50 for each thirty-day period to include the loan date.

9 (h) For the amount loaned from \$60.00 to \$69.99 - interest at the  
10 rate of \$2.75 for each thirty-day period to include the loan date.

11 (i) For the amount loaned from \$70.00 to \$79.99 - interest at the  
12 rate of \$3.00 for each thirty-day period to include the loan date.

13 (j) For the amount loaned from \$80.00 to \$89.99 - interest at the  
14 rate of \$3.25 for each thirty-day period to include the loan date.

15 (k) For the amount loaned from \$90.00 to \$99.99 - interest at the  
16 rate of \$3.50 for each thirty-day period to include the loan date.

17 (l) For the amount loaned from \$100.00 or more - interest at the  
18 rate of four percent for each thirty-day period to include the loan  
19 date.

20 (2) The fee for the preparation of documents, pledges, or reports  
21 required under the laws of the United States of America, the state of  
22 Washington, or the counties, cities, towns, or other political  
23 subdivisions thereof, shall not exceed:

24 (a) For the amount loaned up to \$4.99 - the sum of \$.50;

25 (b) For the amount loaned from \$5.00 to \$9.99 - the sum of \$2.00;

26 (c) For the amount loaned from \$10.00 to (~~(\$19.99)~~) \$14.99 - the  
27 sum of \$3.00;

28 (d) For the amount loaned from (~~(\$20.00 to \$29.99)~~) \$15.00 to  
29 \$19.99 - the sum of (~~(\$4.00;)~~) \$3.50.



1 (e) For the amount loaned from (~~(\$30.00 to \$39.99)~~) \$20.00 to  
2 \$24.99 - the sum of (~~(\$5.00+)~~) \$4.00.

3 (f) For the amount loaned from (~~(\$40.00 to \$49.99)~~) \$25.00 to  
4 \$29.99 - the sum of (~~(\$6.00+)~~) \$4.50.

5 (g) For the amount loaned from (~~(\$50.00 to \$59.99)~~) \$30.00 to  
6 \$34.99 - the sum of (~~(\$7.00+)~~) \$5.00.

7 (h) For the amount loaned from (~~(\$60.00 to \$69.99)~~) \$35.00 to  
8 \$39.99 - the sum of (~~(\$8.00+)~~) \$5.50.

9 (i) For the amount loaned from (~~(\$70.00 to \$79.99)~~) \$40.00 to  
10 \$44.99 - the sum of (~~(\$9.00+)~~) \$6.00.

11 (j) For the amount loaned from (~~(\$80.00 to \$89.99)~~) \$45.00 to  
12 \$49.99 - the sum of (~~(\$10.00+)~~) \$6.50.

13 (k) For the amount loaned from (~~(\$90.00 to \$99.99)~~) \$50.00 to  
14 \$54.99 - the sum of (~~(\$11.00+)~~) \$7.00.

15 (l) For the amount loaned from (~~(\$100.00 to \$124.99)~~) \$55.00 to  
16 \$59.99 - the sum of (~~(\$12.00+)~~) \$7.50.

17 (m) For the amount loaned from (~~(\$125.00 to \$149.99)~~) \$60.00 to  
18 \$64.99 - the sum of (~~(\$13.00+)~~) \$8.00.

19 (n) For the amount loaned from (~~(\$150.00 to \$174.99)~~) \$65.00 to  
20 69.99 - the sum of (~~(\$14.00+)~~) \$8.50.

21 (o) For the amount loaned from (~~(\$175.00 to \$199.99)~~) \$70.00 to  
22 \$74.99 - the sum of (~~(\$15.00+)~~) \$9.00.

23 (p) For the amount loaned from (~~(\$200.00 to \$249.99)~~) \$75.00 to  
24 \$79.99 - the sum of (~~(\$16.00+)~~) \$9.50.

25 (q) For the amount loaned from (~~(\$250.00 to \$299.99)~~) \$80.00 to  
26 \$84.99 - the sum of (~~(\$17.00+)~~) \$10.00.

27 (r) For the amount loaned from (~~(\$300.00 to \$399.99)~~) \$85.00 to  
28 \$89.99 - the sum of (~~(\$18.00+)~~) \$10.50.

29 (s) For the amount loaned from (~~(\$400.00 to \$499.99~~ — the sum of  
30 \$19.00+

1       ~~(t) For the amount loaned from \$500.00 or more)) \$90.00 to \$94.99 -~~  
2       the sum of ~~(((\$20.00+))~~ \$11.00.

3       (t) For the amount loaned from \$95.00 to \$99.99 - the sum of  
4       \$11.50.

5       (u) For the amount loaned from \$100.00 to \$104.99 - the sum of  
6       \$12.00.

7       (v) For the amount loaned from \$105.00 to \$109.99 - the sum of  
8       \$12.25.

9       (w) For the amount loaned from \$110.00 to \$114.99 - the sum of  
10       \$12.75.

11       (x) For the amount loaned from \$115.00 to \$119.99 - the sum of  
12       \$13.25.

13       (y) For the amount loaned from \$120.00 to \$124.99 - the sum of  
14       \$13.50.

15       (z) For the amount loaned from \$125.00 to \$129.99 - the sum of  
16       \$13.75.

17       (aa) For the amount loaned from \$130.00 to \$149.99 - the sum of  
18       \$14.50.

19       (bb) For the amount loaned from \$150.00 to \$174.99 - the sum of  
20       \$14.75.

21       (cc) For the amount loaned from \$175.00 to \$199.99 - the sum of  
22       \$15.00.

23       (dd) For the amount loaned from \$200.00 to \$224.99 - the sum of  
24       \$16.00.

25       (ee) For the amount loaned from \$225.00 to \$249.99 - the sum of  
26       \$17.00.

27       (ff) For the amount loaned from \$250.00 to \$274.99 - the sum of  
28       \$18.00.

29       (gg) For the amount loaned from \$275.00 to \$299.99 - the sum of  
30       \$19.00.

1        (hh) For the amount loaned from \$300.00 to \$324.99 - the sum of  
2        \$20.00.

3        (ii) For the amount loaned from \$325.00 to \$349.99 - the sum of  
4        \$21.00.

5        (jj) For the amount loaned from \$350.00 to \$374.99 - the sum of  
6        \$22.00.

7        (kk) For the amount loaned from \$375.00 to \$399.99 - the sum of  
8        \$23.00.

9        (ll) For the amount loaned from \$400.00 to \$424.99 - the sum of  
10       \$24.00.

11       (mm) For the amount loaned from \$425.00 to \$449.99 - the sum of  
12       \$25.00.

13       (nn) For the amount loaned from \$450.00 to \$474.99 - the sum of  
14       \$26.00.

15       (oo) For the amount loaned from \$475.00 to \$499.99 - the sum of  
16       \$27.00.

17       (pp) For the amount loaned from \$500.00 to \$524.99 - the sum of  
18       \$28.00.

19       (qq) For the amount loaned from \$525.00 to \$549.99 - the sum of  
20       \$29.00.

21       (rr) For the amount loaned from \$550.00 to \$599.99 - the sum of  
22       \$30.00.

23       (ss) For the amount loaned from \$600.00 to \$699.99 - the sum of  
24       \$35.00.

25       (tt) For the amount loaned from \$700.00 to \$799.99 - the sum of  
26       \$40.00.

27       (uu) For the amount loaned from \$800.00 to \$899.99 - the sum of  
28       \$45.00.

29       (vv) For the amount loaned from \$900.00 to \$999.99 - the sum of  
30       \$50.00.

1        (ww) For the amount loaned from \$1000.00 to \$1499.99 - the sum of  
2        \$55.00.

3        (xx) For the amount loaned from \$1500.00 to \$1999.99 - the sum of  
4        \$60.00.

5        (yy) For the amount loaned from \$2000.00 to \$2499.99 - the sum of  
6        \$65.00.

7        (zz) For the amount loaned from \$2500.00 to \$2999.99 - the sum of  
8        \$70.00.

9        (aaa) For the amount loaned from \$3000.00 to \$3499.99 - the sum of  
10       \$75.00.

11       (bbb) For the amount loaned from \$3500.00 to \$3999.99 - the sum of  
12       \$80.00.

13       (ccc) For the amount loaned from \$4000.00 to \$4499.99 - the sum of  
14       \$85.00.

15       (ddd) For the amount loaned from \$4500.00 or more - the sum of  
16       \$90.00.

17       (3) Fees under subsection (2) of this section may be charged one  
18 time only during the term of ~~((a pledge))~~ the loan.

19       A copy of this section, set in twelve point type or larger, shall  
20 be posted prominently in each premises subject to this chapter.

21       **Sec. 8.** RCW 19.60.061 and 1984 c 10 s 10 are each amended to read  
22 as follows:

23       (1) A pawnbroker shall not sell any property received in pledge  
24 ~~((within ninety days after the term of the loan expires)),~~ until both  
25 the term of the loan, and a grace period of a minimum of sixty days has  
26 expired. However, if a pledged article is not redeemed within the  
27 ~~((ninety day))~~ period of both the term of the loan and the grace  
28 period, the pawnbroker ~~((has))~~ shall have all rights, title, and

1 interest (~~(of the pledgor or the pledgor's assigns)~~) in that item of  
2 personal property. The pawnbroker shall not be required to account to  
3 the person to whom the pawnbroker made the loan, for the proceeds  
4 received from the disposition of that item. Any provision of law  
5 relating to the foreclosure and sale of forfeited loans, shall not be  
6 applicable to any pledge as defined under this chapter, the title to  
7 which is transferred in accordance with this section.

8 (2) Every transaction entered into by a pawnbroker shall (~~be~~  
9 ~~evidenced by a written document, a copy of which shall be furnished to~~  
10 ~~the pledgor. The document shall~~) set forth the (~~(loan period)~~) term  
11 of the loan, the date on which the loan is due and payable, and shall  
12 inform the pledgor of the pledgor's right to redeem the pledge within  
13 ~~((ninety days))~~ the minimum sixty-day grace period after the expiration  
14 of the loan term.

15 **Sec. 9.** RCW 19.60.062 and 1984 c 10 s 11 are each amended to read  
16 as follows:

17 In an action brought by an owner to recover goods in the possession  
18 of a pawnbroker or second-hand dealer, or an action brought by a  
19 pawnbroker or second-hand dealer, against an owner, to determine title  
20 or ownership of any item, the prevailing party is entitled to  
21 reasonable attorney's fees and costs.

22 **Sec. 10.** RCW 19.60.066 and 1984 c 10 s 12 are each amended to read  
23 as follows:

24 It is a gross misdemeanor under chapter 9A.20 RCW for:

25 (1) Any person to remove, alter, or obliterate any manufacturer's  
26 make, model, or serial number, personal identification number, or  
27 identifying marks engraved or etched upon an item of personal property  
28 that was purchased, consigned, or received in pledge. In addition an

1 item shall not be accepted for pledge or a second-hand purchase when  
2 the manufacturer's make, model, or serial number, personal  
3 identification number, or identifying marks engraved or etched upon an  
4 item of personal property has been removed, altered, or obliterated;

5 (2) Any person to knowingly make, cause, or allow to be made any  
6 false entry or misstatement of any material matter in any book, record,  
7 or writing required to be kept under this chapter;

8 (3) Any pawnbroker or second-hand dealer to receive any property  
9 from any person under the age of eighteen years, any person under the  
10 influence of intoxicating liquor or drugs, or any person known to the  
11 pawnbroker or second-hand dealer as having been convicted of burglary,  
12 robbery, theft, or possession of or receiving stolen property within  
13 the past ten years whether the person is acting in his or her own  
14 behalf or as the agent of another; or

15 (4) Any person to violate knowingly any other provision of this  
16 chapter.

17 NEW SECTION. Sec. 11. A new section is added to chapter 19.60 RCW  
18 to read as follows:

19 A purchase of personal property shall not be made on the condition  
20 of selling it back at a stipulated time and price greater than the  
21 purchase price, for the purpose of avoiding the interest and fee  
22 restrictions of this chapter.