By Senator Stanford
[A]

HB 1269 - S COMM AMD
By Committee on Business, Trade & Economic Development

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 19.60.060 and 2015 c 294 s 1 are each amended to read as follows:

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

(1) The interest for the loan period shall not exceed((÷

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

~~(b) For an amount loaned from $10.00 to $19.99 - interest at the rate of $1.25 for each thirty-day period to include the loan date.~~

~~(c) For an amount loaned from $20.00 to $24.99 - interest at the rate of $1.50 for each thirty-day period to include the loan date.~~

~~(d) For an amount loaned from $25.00 to $34.99 - interest at the rate of $1.75 for each thirty-day period to include the loan date.~~

~~(e) For an amount loaned from $35.00 to $39.99 - interest at the rate of $2.00 for each thirty-day period to include the loan date.~~

~~(f) For an amount loaned from $40.00 to $49.99 - interest at the rate of $2.25 for each thirty-day period to include the loan date.~~

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

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

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

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

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

~~(l) For loan amounts of $100.00 or more - interest at the rate of four~~)) five percent for each ((~~thirty~~)) 30-day period to include the loan date.

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

(a) For the amount loaned up to $4.99 - the sum of $1.50.

(b) For the amount loaned from $5.00 to $9.99 - the sum of $3.00.

(c) For the amount loaned from $10.00 to $14.99 - the sum of $4.00.

(d) For the amount loaned from $15.00 to $19.99 - the sum of $4.50.

(e) For the amount loaned from $20.00 to $24.99 - the sum of $5.00.

(f) For the amount loaned from $25.00 to $29.99 - the sum of $5.50.

(g) For the amount loaned from $30.00 to $34.99 - the sum of $6.00.

(h) For the amount loaned from $35.00 to $39.99 - the sum of $6.50.

(i) For the amount loaned from $40.00 to $44.99 - the sum of $7.00.

(j) For the amount loaned from $45.00 to $49.99 - the sum of $7.50.

(k) For the amount loaned from $50.00 to $99.99 - ((~~fifteen~~)) 15 percent of the loan amount.

(l) For the amount loaned from $100.00 to $249.99 - ((~~thirteen~~)) 13 percent of the loan amount.

(m) For the amount loaned from $250.00 to $499.99 - ((~~ten~~)) 10 percent of the loan amount.

(n) For the amount loaned from $500.00 to $999.99 - eight percent of the loan amount.

(o) For the amount loaned from $1000.00 to $1499.99 - seven and one-half percent of the loan amount.

(p) For the amount loaned from $1500.00 to $1999.99 - seven percent of the loan amount.

(q) For the amount loaned of $2000.00 or more - six percent of the loan amount.

(3) For each ((~~thirty~~)) 30-day period, a pawnbroker may charge:

(a) A storage fee of ((~~$5.00~~)) $7.50; and

(b) An additional fee of ((~~$5.00~~)) $7.50 for storing a firearm.

(4) Fees under subsection (2) of this section may be charged one time only for each loan period; no additional fees, other than interest allowed under subsection (1) of this section and storage fees allowed under subsection (3) of this section, shall be charged for making the loan.

A copy of this section, set in ((~~twelve~~)) 12 point type or larger, shall be posted prominently in each premises subject to this chapter.

Sec. 2. RCW 19.60.061 and 2007 c 125 s 2 are each amended to read as follows:

(1) The term of the loan shall be for a period of ((~~ninety~~)) 90 days to include the date of the loan.

(2) A pawnbroker shall not sell any property received in pledge, until a minimum of ((~~ninety~~)) 90 days has expired. However, if a pledged article is not redeemed within the ((~~ninety~~)) 90-day period of the term of the loan, the pawnbroker shall have all rights, title, and interest of that item of personal property. The pawnbroker shall not be required to account to the pledgor for the proceeds received from the disposition of that item. Any provision of law relating to the foreclosures and the subsequent sale of forfeited pledged items, shall not be applicable to any pledge as defined under this chapter, the title to which is transferred in accordance with this section.

(3) Every loan transaction entered into by a pawnbroker shall be evidenced by a written document, a copy of which shall be furnished to the pledgor. The document shall set forth the term of the loan; the final date on which the loan is due and payable; the loan preparation fee; the storage fee; the firearm fee, if applicable; any other fee allowed under law that is charged; the amount of interest charged every ((~~thirty~~)) 30 days; the total amount due including the principal amount, the preparation fee, and all interest charges due if the loan is outstanding for the full ((~~ninety~~)) 90 days allowed by the term; and the annual percentage rate, and shall inform the pledgor of the pledgor's right to redeem the pledge at any time within the term of the loan.

(4) If a person who has entered into a loan transaction with a pawnbroker in this state is unable to redeem and repay the loan on or before the expiration of the term of the loan, and that person wishes

to retain his or her rights to use that item by rewriting the loan, and if both parties mutually agree, an existing loan transaction may be rewritten into a new loan, ((~~either in person or by mail~~)) and payment may be accepted in person, by mail, or through an online payment service. All applicable provisions of this chapter shall be followed in rewriting a loan, except that where an existing loan is rewritten by mail RCW 19.60.020(1) (a) and (g) shall not apply.

NEW SECTION. **Sec. 3.** A new section is added to chapter 19.60 RCW to read as follows:

(1) The department of financial institutions shall establish and maintain a statewide electronic database for the reporting and monitoring of pawn interest rates, fees, loan terms, and loan renewals to ensure compliance with this chapter.

(2)(a) Each licensed pawnbroker shall electronically report to the database, in the form and manner prescribed by the department of financial institutions by rule:

(i) Each pawn loan at the time the loan is originated;

(ii) Each renewal, extension, rewrite, or modification of a pawn loan; and

(iii) Such additional information as the department of financial institutions determines is necessary to administer and enforce this chapter.

(b) A transaction must be reported no later than the close of business on the date the transaction occurs, or within such shorter time frame as established by rule.

(3) The database shall:

(a) Provide a real-time or near real-time mechanism to verify that a pawn loan complies with the requirements of this chapter including, but not limited to, statutory limits governing interest, fees, loan terms, and renewals;

(b) Prevent the origination of a pawn loan that does not comply with this chapter;

(c) Maintain records of reported transactions for use by the department of financial institutions in examinations and enforcement; and

(d) Provide reporting tools to assist the department of financial institutions in monitoring compliance trends and market activity.

(4) A pawnbroker may not originate, renew, or extend a pawn loan unless the transaction has been submitted to and accepted by the database in accordance with this section.

(5)(a) The department of financial institutions may contract with a third-party vendor to develop, operate, and maintain the database.

(b) The department of financial institutions may assess a per-transaction fee on licensed pawnbrokers for each transaction reported to the database.

(c) The department of financial institutions may adopt rules necessary to implement, administer, and enforce this section.

(6) Information submitted to the database under this section is exempt from public disclosure under chapter 42.56 RCW or other applicable law and may be used by the department of financial institutions solely for regulatory and enforcement purposes.

(7) The department of financial institutions shall implement the database required under this section no later than January 1, 2028. The department of financial institutions may adopt interim rules to facilitate implementation."

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On page 1, line 1 of the title, after "rates;" strike the remainder of the title and insert "amending RCW 19.60.060 and 19.60.061; and adding a new section to chapter 19.60 RCW."

EFFECT: Creates a uniform 5 percent interest rate for each 30-day period of a loan. Restores the schedule for documentation fees for loan amounts from $100 to more than $2,000. Reduces the storage fees from $10 to $7.50. Restores the 90-day loan period. Requires the Department of Financial Institutions to establish and maintain a statewide electronic database for the reporting and monitoring of pawn interest rates, fees, loan terms, and loan renewals to ensure compliance with the provisions of the bill.

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