

## Article 10-8

### REGULATION OF PAWNSHOPS

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#### **10-801 Definitions.**

For the purpose of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

**Pawnshop Detail:** Any officer of the City Police Department who is assigned to work in connection with pawnshops.

**Month:** That period of time from one date in a calendar month to the corresponding date in the following calendar month and, if computations are made for a fraction of a month, a day shall be one-thirtieth (1/30) of one (1) month.

**Pawnbroker:** A person engaged in the business of making pawn transactions.

**Pawn Finance Charge:** The act of lending money on the security of pledged goods or the act of purchasing tangible personal property on condition that it may be redeemed or re-purchased by the seller for a fixed period of time.

**Pledged Goods:** Tangible personal property other than chosen in action, securities or printed evidences of indebtedness, which property is deposited with or otherwise actually delivered into the possession of a pawnbroker in the course of his business in connection with a pawn transaction.

**Redemption Period:** That period of time from transaction date to maturity date of a pawn transaction.

#### **10-802 Record of Property Received--Required; Content, Preservation of Records and Notification.**

(a) Every pawnbroker shall keep at his place of business an accurate detailed description of all personal property, bonds, notes and other securities received or purchased and mentioning particularly any descriptive or identifying marks that may be on such property, bonds, notes or other securities, together with the name, residence and accurate description of the person by whom they were left. Such entries must be made on the date such property is taken in, using ink or indelible pencil, and no entry shall be erased or obliterated. All such records shall be clean and legible and shall be made upon special record sheets prepared for that purpose. All such pawn transaction record sheets shall be approved as to form by the Chief of Police of this City.

(b) Persons subject to this Ordinance shall file notification with the administrator of the Wyoming Uniform Consumer Credit Code and pay fees, pursuant to the provisions of Article 6, Part 2, of the Code.

(c) All books and records shall be kept in accordance with accepted accounting practices and such records shall be preserved or made available in this State for a period of four (4) years from date of the transaction, or two (2) years from final entry made thereon, whichever is later.

#### **10-803 Rates Regulated.**

(a) No pawnbroker may contract for, charge or receive an amount as a charge in connection with a pawn transaction other than a pawn finance charge, and except as otherwise provided in Subsection (b) and (c) of this section, no pawn finance charge shall exceed an amount equal to:

(1) Twenty percent (20%) per month on that part of the unpaid balance of principal which is Two Hundred (\$200.00) Dollars or less;

(2) Ten percent (10%) per month on that part of the unpaid balance of principal which is Two Hundred (\$200.00) Dollars but does not exceed Four Hundred (\$400.00) Dollars but does not exceed One Thousand (\$1,000.00) Dollars.

(3) Five percent (5%) per month on that part of the unpaid balance of principal which is more than Four Hundred (\$400.00) Dollars but does not exceed One Thousand (\$1,000.00) Dollars.

(4) One and one-half percent (1 1/2%) per month on that part of the unpaid balance of principal which exceeds One Thousand (\$1,000.00) Dollars.

(b) A pawnbroker may contract for and receive a minimum pawn finance charge of not more than Five (\$5.00) Dollars where the amount financed does not exceed Seventy-five (\$75.00) Dollars, or not more than Seven Dollars and Fifty cents (\$7.50), on amounts financed which exceed Seventy-five (\$75.00) Dollars. Minimum charges authorized by this Subsection are in lieu of earned pawn finance charges.

(c) Except in the case where a minimum charge is contracted for pursuant to Subsection (b) of this Section, nor more than one-half (1/2) of the pawn finance charge for the two (2) month maturity period may be considered to be earned at the time the transaction is entered into and is not subject to refund in the event of prepayment. Following expiration of the first month from transaction date, and upon entering of the second month of the transaction, the second month's charge accrues and may be considered to be earned at that time.

#### **10-804 Disclosure and Advertising.**

(a) Information to be disclosed shall be made pursuant to applicable provisions of Federal Reserve Regulation Z of the Truth in Lending Act and the Wyoming Uniform Consumer Credit Code.

(b) A pawnbroker shall not engage in false or misleading advertising concerning the terms or conditions of credit with respect to a pawn transaction. Advertising which complies with the Federal Consumer Credit Protection Act does not violate this

subsection.

#### **10-805 Limitation on Agreements and Practices.**

(a) Even though a pawn transaction subject to this Ordinance creates a debtor-creditor relationship, no pawnbroker shall make any agreement requiring personal liability of a customer in connection with a pawn transaction and no customer has an obligation to redeem pledged goods or make any payment on a pawn transaction. The only recourse of a pawnbroker where the customer has pledged goods is to the pledged goods themselves.

(b) A pawnbroker shall not permit a customer to enter into a pawn transaction in which the redemption period is more or less than two (2) months from transaction date.

#### **10-806 Prohibited Practices.**

No pawnbroker shall:

(a) Divide or separate a pawn transaction into two (2) or more transactions for the purpose or with the effect of obtaining a total pawn finance charge exceeding that authorized by this Ordinance;

(b) Accept a pledge from, sell to or purchase property from a person under the age of majority as defined by Wyoming Statute Section 8-1-102 (a) (iii). (Ord. No. 92-01, 2-18-92).

(c) Accept any waiver, in writing or otherwise, of any right or protection accorded a customer under this Ordinance;

(d) Fail to exercise reasonable care to protect pledged goods from loss or damage;

(e) Fail to return pledged goods to a customer upon payment of the full amount due the pawnbroker on the pawn transaction; or

(f) Make any charge for insurance in connection with a pawn transaction.

#### **10-807 Penalties.**

(a) Any person who engages in the business of operating a pawnshop without first paying an occupational tax in accordance with Section 9-201 of City Ordinances is guilty of a misdemeanor and upon conviction thereof shall be punished by

a fine not exceeding Two Hundred (\$200.00) Dollars or by confinement in the City Jail for not more than ninety (90) days.

(b) In addition to the penalties prescribed in Subsection (a) of this Section, if any person engages in the business of operating a pawnshop without first paying occupational tax as prescribed in Section 9-201 of the City Ordinances, or if any pawnbroker contracts for, charges or receives a pawn finance charge in excess of that authorized by this Ordinance, the pawn transaction shall be void and the customer is not obligated to pay either the amount financed or the pawn finance charge in connection with the transaction. Upon the customer's demand, the pawnbroker is obligated to return to the customer, as a refund, all amounts paid by the customer and the pledged goods delivered to the pawnbroker in connection with the pawn transaction or their value if the goods cannot be returned. If a customer is entitled to a refund under this Section and a pawnbroker liable to the customer refuses to make a refund within a reasonable time after demand, the customer shall have an action against the pawnbroker and in the case of a successful action to enforce such liability, the costs of the action together with the attorney's fees as determined by the Court shall be awarded to customer.

(c) A pawnbroker who fails to disclose information to a customer entitled to information required to be given, pursuant to Section 10-804 of this Article, is liable to that person in an amount equal to the sum of:

(1) Twice the amount of the pawn finance charge in connection with the transaction, or

(2) Two Hundred (\$200.00) Dollars, which ever is greater, and

(3) In the case of a successful action to enforce the liability under this Subsection the costs of the action together with reasonable attorney's fees as determined by the Court.

**10-808 Required.**

(a) No person shall at any time carry on

the business of pawnbroker without paying the required occupational tax in accordance with Section 9-201 of the City Ordinance.

(b) Unless a person has first obtained a license from the administrator of the Wyoming Uniform Consumer Credit Code, authorizing him to engage in business of making supervised loans (W.S., 40-3-501(1), he shall not engage in business as a pawnbroker. (Ord. No. 80-28, 7-1-80).