



## ***BILL & AMENDMENT SUMMARY***

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# **Pawn Shops – Required to Return Stolen Merchandise HF 514**

Status of Bill: House Floor with Senate Amendment (passed House 97-0) (passed Senate 45-0)  
Committee: Commerce  
Lead Democrats: Rep. Dawson  
Floor Manager: Rep. Brandenburg  
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### **Bill Summary**

Last year, the House passed HF 514 which dealt with persons who have had property stolen and it turns up at a pawn shop. The language passed last year would require a political subdivision to adopt certain provisions in an ordinance if they adopt an ordinance regulating the operation of pawn shops.

The ordinance must include a provision requiring the owner or operator of the pawn shop to return merchandise, if it has been determined by a local, state, or federal law enforcement official to be stolen, to the rightful owners of the merchandise at no cost. The ordinance must specify procedures and requirements regarding the verification of identity of the owner of the stolen merchandise, and that the merchandise was reported stolen pursuant to a police report, national electronic database, or other applicable means of notification.

The ordinance must also provide for the suspension, revocation, or nonrenewal of the license or permit if the ordinance is violated by the owner or operator. A notice and hearing must take place before the suspension, revocation or nonrenewal takes effect. The notice must be sent by regular mail to the licensee or permittee at least 10 days prior to the hearing date before a magistrate or district associate judge, and contain the reasons for the hearing. The magistrate or district associate judge has the discretion regarding whether to suspend, revoke, or not renew a license or permit based upon the circumstances surrounding the violation and its severity. A person who has had their license or permit revoked or denied because of a violation of this section cannot be eligible for another such license or permit for a period of 180 days.

### **Amendment Summary**

**H-8130 by Senate** – this is a strike after the enacting clause amendment which sets up a process where the person whose property was stolen and turns up at the pawn shop must first give notice to the pawnbroker by a certified letter. The letter must contain detailed description of the stolen property and a copy of the police report. If the two parties are not able to resolve the issue within 10 days of the pawnbroker receiving the letter, than the individual may file a claim in small claims court for resolution. Language requires the pawnbroker to hold the stolen property until the issue can be resolved between the two parties by themselves or by a court.

If the court orders the property to be returned to the individual, language allows for the individual to recover the court costs from the pawnbroker and language requires the court to require the pawnbroker be paid back if a third party is found guilty of unlawfully taking the property. If the court does not find in favor of the person who claims that their property was stolen, they will be liable for the pawnbroker's incurred costs.