

45:22-10

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2001 **CHAPTER:** 388
NJSA: 45:22-10 (Pawnbroking)
BILL NO: S2694 (Substituted for A3964)
SPONSOR(S): Cardinale
DATE INTRODUCED: November 8, 2001
COMMITTEE: **ASSEMBLY:** ----
 SENATE: Commerce
AMENDED DURING PASSAGE: No
DATE OF PASSAGE: **ASSEMBLY:** January 7, 2002
 SENATE: December 17, 2001
DATE OF APPROVAL: January 8, 2002
FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (Original version of bill enacted)
S2694

SPONSORS STATEMENT: (Begins on 4 of original bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: No
	SENATE: Yes
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	No

A3964

SPONSORS STATEMENT: (Begins on page 4 of original bill)	Yes
	Bill and Sponsors Statement identical to S2694
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	Identical to Senate Statement to S2694
	SENATE: No
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	No

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

SENATE, No. 2694

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 8, 2001

Sponsored by:

Senator GERALD CARDINALE

District 39 (Bergen)

Co-Sponsored by:

Assemblyman Bateman

SYNOPSIS

Revises "pawnbroking law."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/8/2002)

S2694 CARDINALE

2

1 AN ACT concerning pawnbrokers and amending R.S.45:22-10,
2 R.S.45:22-22, R.S.45:22-25, R.S.45:22-26, R.S.45:22-27 and
3 R.S.45:22-31.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. R.S.45:22-10 is amended to read as follows:

9 45:22-10. The **[commissioner of banking and insurance]**
10 Commissioner of Banking and Insurance may at any time, and shall at
11 least once each year, investigate the business of all licensees, either
12 personally or by any person designated by him, and for the purpose of
13 effectuating this article the **[commissioner of banking and insurance]**
14 Commissioner of Banking and Insurance or the person so designated
15 shall have free access, during the usual business hours, to the licensee's
16 place of business, to the books, papers, records, safes and vaults of the
17 licensee wherever located, and shall also have the authority to
18 examine, under oath, any person whose testimony he may require
19 relative to such business. The cost and charges of any such
20 examination or investigation shall be borne by the licensee. Absent a
21 determination by the commissioner that good cause exists, the cost of
22 the examination shall not exceed \$2,500. The examination shall be
23 conducted in accordance with generally accepted examination
24 procedures and pursuant to established and objective criteria
25 developed by the commissioner. The department shall issue to the
26 licensee an itemized invoice setting forth the number of hours and the
27 work performed in connection with the examination.

28 (cf: R.S.45:22-10)

29

30 2. R.S.45:22-22 is amended to read as follows:

31 45:22-22. Notwithstanding the provisions of N.J.S.2C:21-19 to the
32 contrary, a pawnbroker shall not charge or receive interest on a loan
33 in excess of **[3%]** 3.7% per month or a fraction thereof, except that
34 he may charge **[\$0.50]** \$1.00 where the interest herein amounts to
35 less. In no event shall any other charges be made for any reason
36 whatsoever, except as permitted by the Commissioner of Banking and
37 Insurance.

38 (cf: P.L.1984, c.84, s.1)

39

40 3. R.S.45:22-25 is amended to read as follows:

41 45:22-25. All unredeemed pledges shall be sold at public auction
42 or private sale, but not before the expiration of twelve months from
43 the date of the loan, unless otherwise agreed in writing between the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 pawnbroker and the pledgor, or authorized by the [commissioner of
2 banking and insurance] Commissioner of Banking and Insurance for
3 due cause shown.

4 (cf: R.S.45:22-25)

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6 4. R.S.45:22-26 is amended to read as follows:

7 45:22-26. All unredeemed pledges shall be sold at public auction
8 or private sale, but not before a notice in writing shall have first been
9 mailed subsequent to the date of maturity of the loan, to the last
10 known address of the pledgor and at least twenty days prior to the
11 date of such public or private sale. [Notice shall also be published in
12 three consecutive issues of a daily or weekly newspaper published in
13 the city or county where the pawnbroker's business is conducted. The
14 notice shall specify the time and place of the sale and the inclusive
15 dates and numbers of the unredeemed loans, but shall not exceed fifty
16 agate lines of space.]

17 (cf: R.S.45:22-26)

18

19 5. R.S.45:22-27 is amended to read as follows:

20 45:22-27. The proceeds of such sale by public auction or private
21 sale shall be applied for the purposes and in the order here specified;
22 auctioneer's charges, if any; principal and interest of the loan; and a
23 proportionate share of the expense of publishing [the] any notice of
24 the sale, as well as a proportionate share of other specified written or
25 printed notice sent by mail, determined by dividing the total expense
26 of such inclusive notice by the number of loans sold. The surplus, if
27 any, shall be paid, upon proof of identification, to the pledgor or
28 anyone else who would have been entitled to redeem the pledge if it
29 had not been sold. Notice of such surplus, if any, shall be mailed to
30 the last known address of the pledgor, within thirty days after the
31 sale.

32 (cf: R.S.45:22-27)

33

34 6. R.S.45:22-31 is amended to read as follows:

35 45:22-31. A pawnbroker shall not:

36 a. Accept a pledge from any person who is under the age of sixteen
37 years [, nor] .

38 b. [Transact any business on Sunday; nor between the hours of six
39 o'clock in the evening and eight o'clock in the morning, but on
40 Saturday or any other day preceding a legal holiday, he may transact
41 business until the hour of ten o'clock P.M.] (~~Deleted by amendment;~~
42 P.L. . . . , c. . . .)

43 (cf: R.S.45:22-31)

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45 7. This act shall take effect immediately.

S2694 CARDINALE

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STATEMENT

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This bill allows pawnbrokers to sell unredeemed pledges at private sales as well as public sales as allowed under current law. Either type of sale is only permissible after the expiration of 12 months from the date of the loan, and only after written notice to the customer. The bill also provides that the cost of an examination of a pawnbroker shall not exceed \$2,500 and those costs shall be itemized. The bill allows pawnbrokers to operate 24 hours a day and seven days a week. Current law prohibits pawnbrokers from operating on Sunday or after 6:00 p.m. Finally, the bill increases the interest fees that a pawnbroker may charge from 3% to 3.7% per month.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2694

STATE OF NEW JERSEY

DATED: NOVEMBER 19, 2001

The Senate Commerce Committee reports favorably Senate Bill No. 2694.

This bill increases the interest fees chargeable by a licensed pawnbroker from 3% to 3.7% per month. The bill allows pawnbrokers to sell unredeemed pledges at private sales as well as public sales as allowed under current law. Either type of sale is only permissible after the expiration of 12 months from the date of the loan, and only after written notice to the customer. The bill also provides that the cost of an examination of a pawnbroker shall not exceed \$2,500 in most circumstances and those costs shall be itemized. Finally, the bill allows pawnbrokers to operate 24 hours a day and seven days a week. Current law prohibits pawnbrokers from operating on Sunday or after 6:00 p.m. or 10 p.m. on Saturday or a day preceding a legal holiday.

ASSEMBLY, No. 3964

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED NOVEMBER 29, 2001

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

SYNOPSIS

Revises "pawnbroking law."

CURRENT VERSION OF TEXT

As introduced.



A3964 BATEMAN

2

1 AN ACT concerning pawnbrokers and amending R.S.45:22-10,
2 R.S.45:22-22, R.S.45:22-25, R.S.45:22-26, R.S.45:22-27 and
3 R.S.45:22-31

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. R.S.45:22-10 is amended to read as follows:

9 45:22-10. The **[commissioner of banking and insurance]**
10 Commissioner of Banking and Insurance may at any time, and shall at
11 least once each year, investigate the business of all licensees, either
12 personally or by any person designated by him, and for the purpose of
13 effectuating this article the **[commissioner of banking and insurance]**
14 Commissioner of Banking and Insurance or the person so designated
15 shall have free access, during the usual business hours, to the licensee's
16 place of business, to the books, papers, records, safes and vaults of the
17 licensee wherever located, and shall also have the authority to
18 examine, under oath, any person whose testimony he may require
19 relative to such business. The cost and charges of any such
20 examination or investigation shall be borne by the licensee. Absent a
21 determination by the commissioner that good cause exists, the cost of
22 the examination shall not exceed \$2,500. The examination shall be
23 conducted in accordance with generally accepted examination
24 procedures and pursuant to established and objective criteria
25 developed by the commissioner. The department shall issue to the
26 licensee an itemized invoice setting forth the number of hours and the
27 work performed in connection with the examination.

28 (cf: R.S.45:22-10)

29

30 2. R.S.45:22-22 is amended to read as follows:

31 45:22-22. Notwithstanding the provisions of N.J.S. 2C:21-19 to
32 the contrary, a pawnbroker shall not charge or receive interest on a
33 loan in excess of **[3%]** 3.7% per month or a fraction thereof, except
34 that he may charge **[\$0.50]** \$1.00 where the interest herein amounts
35 to less. In no event shall any other charges be made for any reason
36 whatsoever, except as permitted by the Commissioner of Banking and
37 Insurance.

38 (cf: P.L.1984, c.84, s.1)

39

40 3. R.S.45:22-25 is amended to read as follows:

41 45:22-25. All unredeemed pledges shall be sold at public auction
42 or private sale, but not before the expiration of twelve months from
43 the date of the loan, unless otherwise agreed in writing between the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 pawnbroker and the pledgor, or authorized by the [commissioner of
2 banking and insurance] Commissioner of Banking and Insurance for
3 due cause shown.

4 (cf: R.S.45:22-25)

5

6 4. R.S.45:22-26 is amended to read as follows:

7 45:22-26. All unredeemed pledges shall be sold at public auction
8 or private sale, but not before a notice in writing shall have first been
9 mailed subsequent to the date of maturity of the loan, to the last
10 known address of the pledgor and at least twenty days prior to the
11 date of such public or private sale. [Notice shall also be published in
12 three consecutive issues of a daily or weekly newspaper published in
13 the city or county where the pawnbroker's business is conducted. The
14 notice shall specify the time and place of the sale and the inclusive
15 dates and numbers of the unredeemed loans, but shall not exceed fifty
16 agate lines of space.]

17 (cf: R.S.45:22-26)

18

19 5. R.S.45:22-27 is amended to read as follows:

20 45:22-27. The proceeds of such sale by public auction or private
21 sale shall be applied for the purposes and in the order here specified;
22 auctioneer's charges, if any; principal and interest of the loan; and a
23 proportionate share of the expense of publishing [the] any notice of
24 the sale, as well as a proportionate share of other specified written or
25 printed notice sent by mail, determined by dividing the total expense
26 of such inclusive notice by the number of loans sold. The surplus, if
27 any, shall be paid, upon proof of identification, to the pledgor or
28 anyone else who would have been entitled to redeem the pledge if it
29 had not been sold. Notice of such surplus, if any, shall be mailed to
30 the last known address of the pledgor, within thirty days after the
31 sale.

32 (cf: R.S.45:22-27)

33

34 6. R.S.45:22-31 is amended to read as follows:

35 45:22-31. A pawnbroker shall not:

36 a. Accept a pledge from any person who is under the age of sixteen
37 years [, nor] .

38 b. [Transact any business on Sunday; nor between the hours of six
39 o'clock in the evening and eight o'clock in the morning, but on
40 Saturday or any other day preceding a legal holiday, he may transact
41 business until the hour of ten o'clock P.M.] (~~Deleted by amendment;~~
42 P.L. . . . , c. . . .)

43 (cf: R.S.45:22-31)

44

45 7. This act shall take effect immediately.

1 STATEMENT

2

3 This bill allows pawnbrokers to sell unredeemed pledges at private
4 sales as well as public sales as allowed under current law. Either type
5 of sale is only permissible after the expiration of 12 months from the
6 date of the loan, and only after written notice to the customer. The
7 bill also provides that the cost of an examination of a pawnbroker shall
8 not exceed \$2,500 and those costs shall be itemized. The bill allows
9 pawnbrokers to operate 24 hours a day and seven days a week.
10 Current law prohibits pawnbrokers from operating on Sunday or after
11 6:00 p.m. Finally, the bill increases the interest fees that a pawnbroker
12 may charge from 3% to 3.7% per month.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3964

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Assembly Bill No. 3964.

This bill increases the interest fees chargeable by a licensed pawnbroker from 3% to 3.7% per month. The bill allows pawnbrokers to sell unredeemed pledges at private sales as well as public sales as allowed under current law. Either type of sale is only permissible after the expiration of 12 months from the date of the loan, and only after written notice to the customer. The bill also provides that the cost of an examination of a pawnbroker shall not exceed \$2,500 in most circumstances and those costs shall be itemized. Finally, the bill allows pawnbrokers to operate 24 hours a day and seven days a week. Current law prohibits pawnbrokers from operating on Sunday or after 6:00 p.m. or 10 p.m. on Saturday or a day preceding a legal holiday.

P.L. 2001, CHAPTER 388, *approved January 8, 2002*

Senate, No. 2694

1 AN ACT concerning pawnbrokers and amending R.S.45:22-10,
2 R.S.45:22-22, R.S.45:22-25, R.S.45:22-26, R.S.45:22-27 and
3 R.S.45:22-31.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. R.S.45:22-10 is amended to read as follows:

9 45:22-10. The [commissioner of banking and insurance]
10 Commissioner of Banking and Insurance may at any time, and shall at
11 least once each year, investigate the business of all licensees, either
12 personally or by any person designated by him, and for the purpose of
13 effectuating this article the [commissioner of banking and insurance]
14 Commissioner of Banking and Insurance or the person so designated
15 shall have free access, during the usual business hours, to the licensee's
16 place of business, to the books, papers, records, safes and vaults of the
17 licensee wherever located, and shall also have the authority to
18 examine, under oath, any person whose testimony he may require
19 relative to such business. The cost and charges of any such
20 examination or investigation shall be borne by the licensee. Absent a
21 determination by the commissioner that good cause exists, the cost of
22 the examination shall not exceed \$2,500. The examination shall be
23 conducted in accordance with generally accepted examination
24 procedures and pursuant to established and objective criteria
25 developed by the commissioner. The department shall issue to the
26 licensee an itemized invoice setting forth the number of hours and the
27 work performed in connection with the examination.

28 (cf: R.S.45:22-10)

29

30 2. R.S.45:22-22 is amended to read as follows:

31 45:22-22. Notwithstanding the provisions of N.J.S.2C:21-19 to the
32 contrary, a pawnbroker shall not charge or receive interest on a loan
33 in excess of [3%] 3.7% per month or a fraction thereof, except that
34 he may charge [\$0.50] \$1.00 where the interest herein amounts to
35 less. In no event shall any other charges be made for any reason
36 whatsoever, except as permitted by the Commissioner of Banking and
37 Insurance.

38 (cf: P.L.1984, c.84, s.1)

39

40 3. R.S.45:22-25 is amended to read as follows:

41 45:22-25. All unredeemed pledges shall be sold at public auction

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 or private sale, but not before the expiration of twelve months from
2 the date of the loan, unless otherwise agreed in writing between the
3 pawnbroker and the pledgor, or authorized by the [commissioner of
4 banking and insurance] Commissioner of Banking and Insurance for
5 due cause shown.

6 (cf: R.S.45:22-25)

7

8 4. R.S.45:22-26 is amended to read as follows:

9 45:22-26. All unredeemed pledges shall be sold at public auction
10 or private sale, but not before a notice in writing shall have first been
11 mailed subsequent to the date of maturity of the loan, to the last
12 known address of the pledgor and at least twenty days prior to the
13 date of such public or private sale. [Notice shall also be published in
14 three consecutive issues of a daily or weekly newspaper published in
15 the city or county where the pawnbroker's business is conducted. The
16 notice shall specify the time and place of the sale and the inclusive
17 dates and numbers of the unredeemed loans, but shall not exceed fifty
18 agate lines of space.]

19 (cf: R.S.45:22-26)

20

21 5. R.S.45:22-27 is amended to read as follows:

22 45:22-27. The proceeds of such sale by public auction or private
23 sale shall be applied for the purposes and in the order here specified;
24 auctioneer's charges, if any; principal and interest of the loan; and a
25 proportionate share of the expense of publishing [the] any notice of
26 the sale, as well as a proportionate share of other specified written or
27 printed notice sent by mail, determined by dividing the total expense
28 of such inclusive notice by the number of loans sold. The surplus, if
29 any, shall be paid, upon proof of identification, to the pledgor or
30 anyone else who would have been entitled to redeem the pledge if it
31 had not been sold. Notice of such surplus, if any, shall be mailed to
32 the last known address of the pledgor, within thirty days after the
33 sale.

34 (cf: R.S.45:22-27)

35

36 6. R.S.45:22-31 is amended to read as follows:

37 45:22-31. A pawnbroker shall not:

38 a. Accept a pledge from any person who is under the age of sixteen
39 years [, nor] .

40 b. [Transact any business on Sunday; nor between the hours of six
41 o'clock in the evening and eight o'clock in the morning, but on
42 Saturday or any other day preceding a legal holiday, he may transact
43 business until the hour of ten o'clock P.M.] (Deleted by amendment;
44 P.L. . . . , c. . . .)

45 (cf: R.S.45:22-31)

1 7. This act shall take effect immediately.

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STATEMENT

5

6 This bill allows pawnbrokers to sell unredeemed pledges at private
7 sales as well as public sales as allowed under current law. Either type
8 of sale is only permissible after the expiration of 12 months from the
9 date of the loan, and only after written notice to the customer. The
10 bill also provides that the cost of an examination of a pawnbroker shall
11 not exceed \$2,500 and those costs shall be itemized. The bill allows
12 pawnbrokers to operate 24 hours a day and seven days a week.
13 Current law prohibits pawnbrokers from operating on Sunday or after
14 6:00 p.m. Finally, the bill increases the interest fees that a pawnbroker
15 may charge from 3% to 3.7% per month.

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20 Revises "pawnbroking law."

CHAPTER 388

AN ACT concerning pawnbrokers and amending R.S.45:22-10, R.S.45:22-22, R.S.45:22-25, R.S.45:22-26, R.S.45:22-27 and R.S.45:22-31.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. R.S.45:22-10 is amended to read as follows:

Annual investigation by commissioner; other investigations.

45:22-10. The Commissioner of Banking and Insurance may at any time, and shall at least once each year, investigate the business of all licensees, either personally or by any person designated by him, and for the purpose of effectuating this article the Commissioner of Banking and Insurance or the person so designated shall have free access, during the usual business hours, to the licensee's place of business, to the books, papers, records, safes and vaults of the licensee wherever located, and shall also have the authority to examine, under oath, any person whose testimony he may require relative to such business. The cost and charges of any such examination or investigation shall be borne by the licensee. Absent a determination by the commissioner that good cause exists, the cost of the examination shall not exceed \$2,500. The examination shall be conducted in accordance with generally accepted examination procedures and pursuant to established and objective criteria developed by the commissioner. The department shall issue to the licensee an itemized invoice setting forth the number of hours and the work performed in connection with the examination.

2. R.S.45:22-22 is amended to read as follows:

Interest chargeable; exceptions.

45:22-22. Notwithstanding the provisions of N.J.S.2C:21-19 to the contrary, a pawnbroker shall not charge or receive interest on a loan in excess of 3.7% per month or a fraction thereof, except that he may charge \$1.00 where the interest herein amounts to less. In no event shall any other charges be made for any reason whatsoever, except as permitted by the Commissioner of Banking and Insurance.

3. R.S.45:22-25 is amended to read as follows:

Period of redemption; sale of unredeemed pledges.

45:22-25. All unredeemed pledges shall be sold at public auction or private sale, but not before the expiration of twelve months from the date of the loan, unless otherwise agreed in writing between the pawnbroker and the pledgor, or authorized by the Commissioner of Banking and Insurance for due cause shown.

4. R.S.45:22-26 is amended to read as follows:

Sale by auction or private sale; notice of proposed sale.

45:22-26. All unredeemed pledges shall be sold at public auction or private sale, but not before a notice in writing shall have first been mailed subsequent to the date of maturity of the loan, to the last known address of the pledgor and at least twenty days prior to the date of such public or private sale.

5. R.S.45:22-27 is amended to read as follows:

Disposition of proceeds, surplus.

45:22-27. The proceeds of such sale by public auction or private sale shall be applied for the purposes and in the order here specified; auctioneer's charges, if any; principal and interest of the loan; and a proportionate share of the expense of publishing any notice of the sale, as well as a proportionate share of other specified written or printed notice sent by mail, determined by dividing the total expense of such inclusive notice by the number of loans sold. The surplus, if any, shall be paid, upon proof of identification, to the pledgor or anyone else who would have been entitled to redeem the pledge if it had not been sold. Notice of such surplus, if any, shall

be mailed to the last known address of the pledgor, within thirty days after the sale.

6. R.S.45:22-31 is amended to read as follows:

Pawnbroker not to accept pledge from persons under 16.

45:22-31. A pawnbroker shall not:

- a. Accept a pledge from any person who is under the age of sixteen years.
- b. (Deleted by amendment, P.L.2001, c.388.)

7. This act shall take effect immediately.

Approved January 8, 2002.