

AMENDED IN ASSEMBLY APRIL 5, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1297

Introduced by Assembly Member Papan

February 23, 2001

An act to amend Sections 21200.1, 21200.6, and 21201.2 of the Financial Code, relating to pawnbrokers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1297, as amended, Papan. Pawnbrokers.

Existing law limits pawnbroker loan setup fees, handling and storage charges, and fees for certain notices, to specified amounts. Existing law provides that a pawnbroker may collect a handling and storage charge for each article pawned and that an item smaller than one cubic foot is not subject to an additional storage charge. Furthermore, existing law provides that a broker may charge an additional fee for a vehicle larger than 6 cubic feet.

This bill would increase the amounts that may be charged for these services. The bill would authorize an additional storage charge on all items larger than 6 cubic feet.

Because a knowing violation of the provisions of the bill would be a misdemeanor, the bill would impose a state-mandated local program by creating new crimes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21200.1 of the Financial Code is
2 amended to read:

3 21200.1. A loan setup fee not to exceed three dollars (\$3) may
4 be charged for each loan, ~~of less than twenty-five (\$25) up to and~~
5 ~~including fifty dollars (\$50).~~ A loan setup fee of five dollars (\$5)
6 or 2.5 percent, whichever is greater, may be charged for loans ~~of~~
7 ~~twenty-five dollars (\$25) or more in excess of fifty dollars (\$50).~~
8 ~~At no time shall the loan setup fee exceed twenty-five dollars (\$25).~~
9 Loan setup fees are in addition to any other allowed charges.

10 SEC. 2. Section 21200.6 of the Financial Code is amended to
11 read:

12 21200.6. (a) In addition to other allowed charges, at the time
13 property is redeemed a pawnbroker may collect a handling and
14 storage charge for certain pawned articles. Irrespective of the
15 duration of the loan, the maximum amount that may be charged
16 pursuant to this section is in accordance with the following
17 schedule:

18 (1) Five dollars (\$5) for any article that cannot be contained
19 within one cubic foot.

20 (2) Ten dollars (\$10) for any article that cannot be contained
21 within three cubic feet.

22 (3) Twenty dollars (\$20) for any article that cannot be
23 contained within six cubic feet and one dollar (\$1) for each
24 additional cubic foot in excess of six cubic feet.

25 (b) No storage charge is allowed for any article that can be
26 contained within one cubic foot.

27 (c) For purposes of this section, cubic feet shall be determined
28 by multiplying the width of an article, at its greatest width, by the
29 depth of an article, at its greatest depth, by the height of an article,
30 at its greatest height.

31 SEC. 3. Section 21201.2 of the Financial Code is amended to
32 read:



1 21201.2. If the pledgor fails to redeem any pawned item
2 during the loan period, thereby obliging the pawnbroker to mail
3 the notice required under Section 21201, the pawnbroker may
4 charge a fee of up to three dollars (\$3) for services and costs
5 pertaining to the preparation of the notice, in addition to any other
6 allowed charges.

7 SEC. 4. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.

