

Assembly Bill No. 1297

CHAPTER 505

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

[Approved by Governor October 4, 2001. Filed with Secretary of State October 4, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1297, 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 also 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.

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

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

21200.1. A loan setup fee not to exceed three dollars (\$3) may be charged for each loan, up to and including fifty dollars (\$50). A loan setup fee of five dollars (\$5) may be charged for loans in excess of fifty dollars (\$50). Loan setup fees are in addition to any other allowed charges.

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



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

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

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

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

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

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

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

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

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

