

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 2218

4
5 By: Representative Pappas

For An Act To Be Entitled

9 "AN ACT TO PRESCRIBE THE MAXIMUM CHARGE A PAWNBROKER MAY
10 MAKE ON A PAWN TRANSACTION; AND FOR OTHER PURPOSES."

Subtitle

13 "TO PRESCRIBE THE MAXIMUM CHARGE A
14 PAWNBROKER MAY MAKE ON A PAWN
15 TRANSACTION."

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

19 SECTION 1. For purposes of this act, the term:

20 (a) "Pawnbroker" means a person who engages in the business of lending
21 money on the deposit or pledge of personal property, or purchases personal
22 property with an express or implied agreement or understanding to sell the
23 property back to the former owner at a subsequent time for a stipulated price.

24 (b) "Pawn transaction" means any arrangement whereby a pawnbroker lends
25 money to a person and the loan is secured by a deposit or pledge of personal
26 property or whereby a pawnbroker purchases personal property with the express
27 or implied agreement or understanding that the pawnbroker will sell the
28 property back to the former owner at a subsequent time for a stipulated price.

30 SECTION 2. A pawnbroker shall not charge, contract for, or receive in
31 excess of fifteen percent (15%) per month of the loan advance under any pawn
32 transaction.

34 SECTION 3. If a pawnbroker charges, contracts for, or receives an
35 amount in excess of the maximum amount permitted by this act, he shall forfeit
36 the loan advance and any charges made under the pawn transaction and shall,

1 upon surrender of the pawn ticket or receipt, return the personal property
 2 deposited or pledged to secure the loan advance or shall return the property
 3 purchased under the pawn transaction. If such excessive charges have been
 4 paid by the depositor, pledger, or seller of the property under the pawn
 5 transaction, he or she shall be entitled to recover the same, including the
 6 principal, if paid, in a civil action against the pawnbroker.

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8 SECTION 4. All provisions of this act of a general and permanent nature
 9 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 10 Revision Commission shall incorporate the same in the Code.

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12 SECTION 5. If any provision of this act or the application thereof to
 13 any person or circumstance is held invalid, such invalidity shall not affect
 14 other provisions or applications of the act which can be given effect without
 15 the invalid provision or application, and to this end the provisions of this
 16 act are declared to be severable.

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18 SECTION 6. All laws and parts of laws in conflict with this act are
 19 hereby repealed.

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