

**HB 2463 STAFF MEASURE SUMMARY**  
**Senate Committee On Business and General Government**

**Carrier:** Sen. Girod

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**Action Date:** 03/12/19  
**Action:** Do pass.  
**Vote:** 4-0-1-0  
**Yeas:** 4 - Girod, Hass, Olsen, Riley  
**Exc:** 1 - Dembrow  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact  
**Prepared By:** Tyler Larson, LPRO Analyst  
**Meeting Dates:** 3/12

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**WHAT THE MEASURE DOES:**

Allows pawnbroker to store large pledge items off premises if pledgor agrees in writing. Requires pawnbroker to return pledged item stored off premises within two business days after pledge is redeemed. Authorizes Department of Consumer and Business Services to adopt rules for security, bonding, insurance, and notice of off-premises location and define "large items." Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Nature of pawnbroker business as collateral lender and need to store all pledged items
- Practical space limitations and need for authorization to store large items off-site

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Pawnbrokers lend money backed by personal property as collateral. According to the Oregon Pawnbrokers Association, the average pledge loan in Oregon is \$125, with a redemption rate of 85 percent; in 2016 more than \$57 million was loaned by pawnbrokers.

Pawnbrokers must be licensed by the Department of Consumer and Business Services (DCBS) in order to lawfully transact business. Pawnbrokers are liable for any loss of the pledged item or injury to the item that results from a failure to exercise reasonable care. Current law allows pawnbrokers to hold pledged boats, snowmobiles, all-terrain vehicles, and specified smaller trailers in a gated, secured facility. House Bill 2463 explicitly authorizes the pawnbroker to store large items at one off-premises location if the pledgor agrees in writing. The off-premises location must meet security, bonding, and insurance standards adopted by DCBS.