

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 144

Short Title: Cash Converters Must Keep Purchase Records. (Public)

Sponsors: Senators Meredith; Apodaca, Atwater, Bingham, Brock, Clary, Daniel, Davis, East, Goolsby, Graham, Hartsell, Hise, Hunt, Jackson, Jones, Mansfield, McKissick, Pate, Rabon, Rouzer, Rucho, Soucek, Stevens, Tillman, Tucker, and Vaughan.

Referred to: Commerce.

February 28, 2011

A BILL TO BE ENTITLED

AN ACT TO REQUIRE CASH CONVERTER BUSINESSES TO KEEP RECORDS OF PURCHASES AND TO MAKE THOSE RECORDS AVAILABLE TO LOCAL LAW ENFORCEMENT AGENCIES.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Chapter 91A of the General Statutes reads as rewritten:

"Pawnbrokers and Cash Converters Modernization Act of 1989 Act."

SECTION 2. G.S. 91A-1 reads as rewritten:

"§ 91A-1. Short title.

This Chapter shall be known and may be cited as the Pawnbrokers and Cash Converters Modernization Act of 1989 Act."

SECTION 3. G.S. 91A-2 reads as rewritten:

"§ 91A-2. Purpose.

The making of pawn loans and the acquisition and disposition of tangible personal property by and through pawnshops and cash converters vitally affects the general economy of this State and the public interest and welfare of its citizens. In recognition of these facts, it is the policy of this State and the purpose of the Pawnbrokers and Cash Converters Modernization Act of 1989 to do all of the following:

- (1) Ensure a sound system of making loans and acquiring and disposing of tangible personal property by and through pawnshops and cash converters and to prevent unlawful property transactions, particularly in stolen property, through licensing and regulating pawnbrokers.
- (2) Provide for pawnbroker licensing fees and investigation fees of licensees.
- (3) Ensure financial responsibility to the State and the general public.
- (4) Ensure compliance with federal and State laws.
- (5) Assist local governments in the exercise of their police authority."

SECTION 4. G.S. 91A-3 reads as rewritten:

"§ 91A-3. Definitions.

As used in this Article, the following definitions shall apply: The following definitions apply in this Chapter:

- (1) Cash converter. – A person engaged in the business of purchasing merchandise from the public at a permanently located retail store who holds himself or herself out to the public by signs, advertising, or other methods as



1 engaging in that business. The term does not include pawnbrokers or persons
2 whose merchandise purchases are made directly from manufacturers or
3 wholesalers for their inventories.

4 (2) Cash converter store. – The location at which, or premises in which, a cash
5 converter regularly conducts business.

6 ~~(1)(3)~~ "Pawn" or "Pawn transaction" means a Pawn or pawn transaction. – A
7 written bailment of personal property as security for a debt, redeemable on
8 certain terms within 180 days, unless renewed, and with an implied power of
9 sale on default.

10 ~~(2)(4)~~ "Pawnbroker" means any Pawnbroker. – A person engaged in the business
11 of lending money on the security of pledged goods and who may also
12 purchase merchandise for resale from dealers and traders.

13 ~~(3)(5)~~ "Pawnshop" means the Pawnshop. – The location at which, or premises in
14 which, a pawnbroker regularly conducts business.

15 ~~(4)(6)~~ "Person" means any Person. – Any individual, corporation, joint venture,
16 association, or any other legal entity, however organized.

17 ~~(5)(7)~~ "Pledged goods" means tangible Pledged goods. – Tangible personal
18 property which is deposited with, or otherwise actually delivered into, the
19 possession of a pawnbroker in the course of his business in connection with
20 a pawn transaction.

21 ~~(6)(8)~~ "Purchase" means any Purchase. – An item purchased from an individual for
22 the purpose of resale whereby the seller no longer has a vested interest in the
23 item."

24 **SECTION 5.** The catch line of G.S. 91A-7 reads as rewritten:

25 **"§ 91A-7. Record keeping requirements.requirements for pawnbrokers."**

26 **SECTION 6.** Chapter 91A of the General Statutes is amended by adding a new
27 section to read:

28 **"§ 91A-7.1. Record keeping requirements for cash converters.**

29 (a) Every cash converter shall keep consecutively numbered records of each and every
30 purchase. The cash converter shall, at the time of making the purchase, enter upon each record
31 all of the following information, which shall be typed or written in ink and in the English
32 language:

33 (1) A clear and accurate description of the purchased property, including model
34 and serial number if indicated on the property.

35 (2) The name, residence address, phone number, and date of birth of the seller.

36 (3) The date of the purchase.

37 (4) The type of identification and the identification number accepted from the
38 seller.

39 (5) A description of the seller, including approximate height, weight, sex, and
40 race.

41 (6) The purchase price.

42 (7) The statement that 'THE SELLER OF THIS ITEM ATTESTS THAT IT IS
43 NOT STOLEN, HAS NO LIENS OR ENCUMBRANCES, AND IS THE
44 SELLER'S TO SELL.'

45 (b) The seller shall sign the record and shall receive an exact copy of the record which
46 shall be signed or initialed by the cash converter or any employee of the cash converter. These
47 records shall be available for inspection and pickup each regular workday by the sheriff of the
48 county or the sheriff's designee or the chief of police or the chief's designee of the municipality
49 in which the cash converter is located. These records may be electronically reported to the
50 sheriff of the county or the chief of police of the municipality in which the cash converter is
51 located by transmission over the Internet or by facsimile transmission in a manner authorized

1 by the applicable sheriff or chief of police. These records shall be a correct copy of the entries
2 made of the purchase transaction and shall be carefully preserved without alteration, and shall
3 be available during regular business hours.

4 (c) This section does not apply to purchases directly from a manufacturer or wholesaler
5 for a cash converter's inventory."

6 **SECTION 7.** G.S. 25-9-201(b) reads as rewritten:

7 "(b) Applicable consumer laws and other law. – A transaction subject to this Article is
8 subject to any applicable rule of law which establishes a different rule for consumers, to any
9 other statute, rule, or regulation of this State that regulates the rates, charges, agreements, and
10 practices for loans, credit sales, or other extensions of credit, and to any consumer-protection
11 statute, rule, or regulation of this State, including Chapter 24 of the General Statutes, the Retail
12 Installment Sales Act (Chapter 25A of the General Statutes), the North Carolina Consumer
13 Finance Act (Article 15 of Chapter 53 of the General Statutes), and the Pawnbrokers and Cash
14 Converters Modernization Act of 1989 (Chapter 91A of the General Statutes)."

15 **SECTION 8.** This act becomes effective October 1, 2011, and applies to purchases
16 by cash converters on or after that date.