

## CHAPTER 113: PAWNBROKERS

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### ***Cross reference:***

*Business license tax for pawn shop, see § 110.11*

### § 113.01 DEFINITIONS.

For the purpose of this chapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**PAWNBROKER.** Any person who loans money on deposit of personal property; deals in the purchase of personal property on condition of selling the property back again at a stipulated price; makes a public display at his place of business of the sign generally used by pawnbrokers to denote their business; or who publicly exhibits a sign advertising money to loan on personal property or deposit.  
(KRS 226.010)

### § 113.02 BOND.

Every person to whom a city license is granted to carry on the business of a pawnbroker shall annually enter into bond to the city, with good and sufficient surety to be approved by City Council, in the penal sum of \$1,000. This bond shall be conditioned that he will observe the provisions of this chapter and all ordinances and laws in force in the city not inconsistent with this chapter.  
(KRS 226.020)

**§ 113.03 REGISTER TO BE KEPT; DAILY REPORTS.**

(A) Every pawnbroker shall keep a register of all loans and purchases of all articles by the pawnbroker from the general public. The register shall:

(1) Be reported to an online, internet-based transaction recording service accessible to law enforcement agencies;

(2) Show the dates and the amounts of all loans or purchases by the pawnbroker from the general public, and the names and:

(a) A driver's license number;

(b) Another state or federally issued picture identification card number; or

(c) If the identification specified in divisions (2)(a) and (b) is not available, a social security number may be accepted;

of all persons who have left any property that has been pawned or sold;

(3) At all times be available to the inspection of any law enforcement officer of the city when in the discharge of his or her official duty; and

(4) Contain a full description of all property purchased by the pawnbroker from the general public or received on deposit as collateral or security. When requested by law enforcement and pertaining to an investigation, a photograph of the merchandise shall be made available to law enforcement if the property is still in the possession of the pawnbroker. For purposes of this section, "full description" includes but is not limited to:

(a) Make;

(b) Model;

(c) Color;

(d) Size;

(e) Manufacturer;

(f) Vintage; and

(g) Distinguishing marks or characteristics.

(5) When secondhand merchandise is sold to a pawnbroker, the merchandise shall be held for a minimum of 12 days before being resold.

(6) Prior to the release of property to a representative of law enforcement, the law enforcement representative shall provide to the pawnbroker a case report or other documentation that the item has been reported as stolen.  
(KRS 226.040)

(B) Every pawnbroker shall, by 11:00 a.m. each day, make available to the Chief of Police a true and correct written report of all goods received by him, whether by pawn or purchase, during the 24 hours preceding each report. The report shall describe the goods as accurately as practicable. The Chief of Police shall furnish blanks for these reports. (KRS 226.070)  
Penalty, see § 113.99

#### **§ 113.04 RECEIPT TO BE GIVEN FOR EACH ARTICLE; SALE OF ARTICLE.**

(A) Every pawnbroker shall give a plain written or printed ticket for the loan to the person negotiating or selling, and a plain written or printed receipt of the articles that have been purchased or upon which money is loaned, having on each a copy of the entries required by § 113.03(A) to be kept in his register. He shall not make any charge for the ticket or receipt.

(B) A pawnbroker may sell any article pawned after the expiration of 60 days from the maturity of the loan. However, not less than ten days before making the sale, the pawnbroker shall give notice to the person by whom the article was pawned by mail addressed to the post office address of that person as shown on the pawnbroker's register, notifying such person that, unless he redeems the article within ten days from the date of mailing of the notice, the article will be sold.  
(KRS 226.050) Penalty, see § 113.99

#### **§ 113.05 MAXIMUM INTEREST; RESALE PRICE.**

Any pawnbroker as defined in § 113.01, may, in loaning money on deposit of personal property, charge, contract for, or receive interest at a rate not exceeding 2% per month on the unpaid principal balance of the loan, and may charge, contract for, and receive a reasonable fee, not to exceed one-fifth of the value of the loan per month, for investigating the title, storing and insuring the property, closing the loan, making daily reports to local law enforcement officers if required by § 113.03, and for other expenses, losses, and incidental costs associated with servicing such loans. Further, this fee, when made and collected, shall not be deemed as interest for any purpose of law. No pawnbroker shall directly or indirectly charge, receive, or contract for any interest or consideration greater than that allowed by this section.  
(KRS 226.080) Penalty, see § 113.99

**§ 113.06 RECEIPT TO BE GIVEN FOR PAYMENT OF LOAN.**

Every pawnbroker, upon receiving any payment of money from a borrower, shall give to that person a plain and complete receipt for such payment, specifying separately the amount applied to principal and the amount applied to interest. In a case where the pawnbroker has purchased personal property under an agreement to sell it back at a stipulated price, the pawnbroker shall, on receiving any payment of money from the person from whom the purchased, give that person a receipt stating the original purchase price, the stipulated resale price, and the amount received.

(KRS 226.090) Penalty, see § 113.99

**§ 113.07 PROHIBITED ACTIVITIES.**

No pawnbroker shall receive, by way of either pledge or pawn, any article whatever from a minor at any time nor from any person between 8:00 p.m. and 7:00 a.m.

(KRS 226.030) Penalty, see § 113.99

**§ 113.08 ENFORCEMENT.**

The Police Department shall enforce the provisions of this chapter unless otherwise provided by KRS 226.100. However, county police, for the purpose of locating stolen goods, may carry out the provisions of KRS 226.060 within the city.

(KRS 226.100)

**§ 113.99 PENALTY.**

(A) Any pawnbroker or pawnbroker's clerk who violates any of the provisions of this chapter for which no penalty is otherwise provided shall, upon conviction, be guilty of a misdemeanor and shall be fined not less than \$50 nor more than \$500, and his license may be forfeited to the city. (KRS 226.990(1))

(B) Any pawnbroker who violates any of the provisions of § 113.03(B) shall be guilty of a misdemeanor and shall be fined not less than \$20 nor more than \$100. (KRS 226.990(3))