

## CHAPTER 388

AN ACT concerning pawnbrokers and amending R.S.45:22-10, R.S.45:22-22, R.S.45:22-25, R.S.45:22-26, R.S.45:22-27 and R.S.45:22-31.

**BE IT ENACTED** *by the Senate and General Assembly of the State of New Jersey:*

1. R.S.45:22-10 is amended to read as follows:

Annual investigation by commissioner; other investigations.

45:22-10. The Commissioner of Banking and Insurance may at any time, and shall at least once each year, investigate the business of all licensees, either personally or by any person designated by him, and for the purpose of effectuating this article the Commissioner of Banking and Insurance or the person so designated shall have free access, during the usual business hours, to the licensee's place of business, to the books, papers, records, safes and vaults of the licensee wherever located, and shall also have the authority to examine, under oath, any person whose testimony he may require relative to such business. The cost and charges of any such examination or investigation shall be borne by the licensee. Absent a determination by the commissioner that good cause exists, the cost of the examination shall not exceed \$2,500. The examination shall be conducted in accordance with generally accepted examination procedures and pursuant to established and objective criteria developed by the commissioner. The department shall issue to the licensee an itemized invoice setting forth the number of hours and the work performed in connection with the examination.

2. R.S.45:22-22 is amended to read as follows:

Interest chargeable; exceptions.

45:22-22. Notwithstanding the provisions of N.J.S.2C:21-19 to the contrary, a pawnbroker shall not charge or receive interest on a loan in excess of 3.7% per month or a fraction thereof, except that he may charge \$1.00 where the interest herein amounts to less. In no event shall any other charges be made for any reason whatsoever, except as permitted by the Commissioner of Banking and Insurance.

3. R.S.45:22-25 is amended to read as follows:

Period of redemption; sale of unredeemed pledges.

45:22-25. All unredeemed pledges shall be sold at public auction or private sale, but not before the expiration of twelve months from the date of the loan, unless otherwise agreed in writing between the pawnbroker and the pledgor, or authorized by the Commissioner of Banking and Insurance for due cause shown.

4. R.S.45:22-26 is amended to read as follows:

Sale by auction or private sale; notice of proposed sale.

45:22-26. All unredeemed pledges shall be sold at public auction or private sale, but not before a notice in writing shall have first been mailed subsequent to the date of maturity of the loan, to the last known address of the pledgor and at least twenty days prior to the date of such public or private sale.

5. R.S.45:22-27 is amended to read as follows:

Disposition of proceeds, surplus.

45:22-27. The proceeds of such sale by public auction or private sale shall be applied for the purposes and in the order here specified; auctioneer's charges, if any; principal and interest of the loan; and a proportionate share of the expense of publishing any notice of the sale, as well as a proportionate share of other specified written or printed notice sent by mail, determined by dividing the total expense of such inclusive notice by the number of loans sold. The surplus, if any, shall be paid, upon proof of identification, to the pledgor or anyone else who would have been entitled to redeem the pledge if it had not been sold. Notice of such surplus, if any, shall

be mailed to the last known address of the pledgor, within thirty days after the sale.

6. R.S.45:22-31 is amended to read as follows:

Pawnbroker not to accept pledge from persons under 16.

45:22-31. A pawnbroker shall not:

- a. Accept a pledge from any person who is under the age of sixteen years.
- b. (Deleted by amendment, P.L.2001, c.388.)

7. This act shall take effect immediately.

Approved January 8, 2002.