



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

FACT SHEET FOR H.B. 2690

pawnbroker licensure; DPS

Purpose

Replaces county sheriffs with the Department of Public Safety (DPS) as the entity responsible for licensing pawnbrokers and receiving daily transaction reports and replaces local law enforcement agents with DPS as the entity authorized to inspect a pawnbroker's receipts, tickets, alcohol tobacco and firearms (ATF) logs and all goods on request.

Background

In Arizona, pawnbrokers are licensed by the sheriff of the county in which the business operates. Statute prohibits certain persons from being licensed as pawnbrokers, such as individuals who have been convicted of trafficking stolen property within five years or corporations who have stockholders that have been convicted of specified crimes. County sheriffs are also responsible for approving the sale or transfer of a pawnbroker's license, suspending, revoking or refusing to renew a license, and receiving daily transaction reports which include all transactions in which the pawnbroker received merchandise through pawn, purchase, trade or consignment. Local law enforcement agencies are also currently authorized to inspect a pawnbroker's register, receipts, tickets, ATF logs and all goods on request.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Replaces county sheriffs with DPS as the entity responsible for:
  - a) licensing pawnbrokers, but maintains all current licensing requirements and restrictions;
  - b) receiving and spending licensing fees;
  - c) requiring all persons with an interest in an applicant's business to provide fingerprints;
  - d) suspending, revoking or refusing to renew a pawnbroker's license for good cause;
  - e) providing procedures for the redemption of pledged goods or the renewal of transactions on maturity while a pawnbroker's license is suspended;
  - f) approving the sale or transfer of a pawnbroker's license; and
  - g) receiving all daily transaction reports and providing or approving the report forms.
2. Replaces local law enforcement agencies with DPS as the entity authorized to:
  - a) inspect all receipts, tickets, required ATF logs or goods on request; and
  - b) approve alternative storage locations for pledged or purchased goods.

3. Establishes the DPS Pawnbroker Licensing Fund, consisting of licensing fees received by DPS, which is continuously appropriated to the Director of DPS for the costs of regulating the pawnbroker industry.

*Miscellaneous*

4. Defines *department*, as used in the pawnbrokers' article, as DPS.
5. Removes the definitions of *local law enforcement agency* and *designee* as used in the pawnbrokers' article.
6. Makes technical and conforming changes.
7. Becomes effective on the general effective date.

Prepared by Senate Research

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AV/lr