

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**  
Date \_\_\_\_\_  
Time \_\_\_\_\_  
Clerk \_\_\_\_\_  
Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1605 House Bill No. 1643**

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 45-6-203 (2), (3) and (6) are amended by deleting the subdivisions in their entirety and by substituting instead the following:

(2) "Pawn" or "Pawn transaction" means either of the following transactions:

(A) A "buy-sell" agreement means any agreement whereby a pawnbroker agrees to hold a property (pledged goods) for a specified period of time not to be less than sixty (60) days to allow the seller the exclusive right to repurchase the property. A buy-sell agreement is not a loan of money, but shall still meet all recording procedures to law enforcement officers as with a pawn transaction; or

(B) A "loan of money" transaction means any loan on the security of pledged goods and being a written bailment of pledged goods as a security lien for such loan, for the cash advanced, interest and fees authorized by this act, redeemable on certain terms and with the implied power of sale on default;

For purposes of all state and federal bankruptcy laws, a pledgor's interest in his or her pledged goods during the pendency of a pawn transaction shall be deemed to be that of a right of redemption only.

(3) "Pawnbroker" means any person, partnership or corporation engaged in the business of lending money on the security of pledged goods; or engaged in the business of purchasing tangible personal property on condition that it may be redeemed

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

and repurchased by the seller for a fixed price within a fixed period of time; or engaged in the business of advancing money to a customer in consideration for the customer surrendering possession of tangible personal property on an agreement by which the property may be returned to the customer's possession on repayment of the money advanced; and engaged in the business of selling new and used tangible personal property, whether unredeemed tangible personal property resulting from a pawn transaction, or acquired by a purchase of tangible personal property not acquired in a pawn transaction or purchased merchandise for resale from dealers and traders.

(6) "Pledged goods" means tangible personal property, other than choses in action, securities, printed evidences of indebtedness or title documents, which tangible personal property is purchased by, deposited with, or otherwise actually delivered into the possession of a pawnbroker in connection with a pawn transaction, and shall include the term "pawn" or "pledged property" or similar words.

SECTION 2. Tennessee Code Annotated, Section 45-6-203, is amended by adding the following new subdivisions at the end of the section:

(7) "Maturity date of pawn transaction" means the date the pawn transaction is due to be paid, which date shall not be less than thirty (30) days after the date of the pawn transaction.

(8) "Pledgor" means the pawn loan customer of the pawnbroker, entering into a pawn transaction with the pawnbroker.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

SECTION 3. Tennessee Code Annotated, Section 45-6-204, is amended by deleting the section in its entirety and by substituting instead the following:

Section 45-6-204. Authority of Licensed Pawnbrokers.

(a) A pawnbroker licensed pursuant to this part shall have power to:

- (1) Make loans on the security of pledged goods as a pawn or pawn transaction;
- (2) Purchase tangible personal property under a buy-sell agreement from individuals as a pawn or pawn transaction on the condition it may be redeemed or repurchased by the seller at a fixed price within a fixed time not to be less than sixty (60) days;
- (3) Lend money on bottomry and respondentia security, at marine interest;
- (4) Deal in bullion, stocks and public securities;
- (5) Make loans on real estate, stocks and personal property;
- (6) Purchase merchandise for resale from dealers and traders;
- (7) Make over-the-counter purchases of goods which the seller does not intend to buy back. The pawnbroker shall hold such goods for a period of not less than fifteen (15) days before offering the merchandise for resale; and
- (8) Use its capital and funds in any lawful manner within the general scope and purposes of its creation.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**  
Date \_\_\_\_\_  
Time \_\_\_\_\_  
Clerk \_\_\_\_\_  
Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(b) Notwithstanding the provisions of this section, except for a pawn or pawn transaction authorized by this act, no pawnbroker shall have the power as enumerated in this section without first complying with the law regulating the particular transactions involved.

SECTION 4. Tennessee Code Annotated, Section 45-6-206(a)(4), is amended by deleting the subdivision in its entirety.

SECTION 5. Tennessee Code Annotated, Section 45-6-209(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) The pawnbroker shall, at the time of making the pawn transaction and/or buy-sell transaction, enter upon the pawnshop copy of the records as well as on the pawn ticket, and/or buy-sell ticket, the following information, which shall be typed or written in ink and in the English language:

(1) A clear and accurate description of the property, including serial numbers if pledged articles shall bear such;

(2) The date of the pawn transaction;

(3) The amount of cash loan advanced on the pawn transaction;

(4) The exact value of property as stated by pledgor who pledges same;

(5) The maturity date of the pawn transaction, which date shall not be less than thirty (30) days after the date of the pawn transaction; and

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(6) The name, race, sex, height, weight, date of birth, residence address and numbers from the items used as identification. Acceptable items of identification are one

(1) of the following documents:

- (i) a state-issued driver's license;
- (ii) a state-issued identification card;
- (iii) a passport;
- (iv) a valid military identification;
- (v) a non-resident alien border crossing card;
- (vi) a resident alien border crossing card; or
- (vii) a United States immigration and naturalization service identification.

SECTION 6. Tennessee Code Annotated, Section 45-6-209(d), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(d) These records shall be delivered to the appropriate law enforcement agency, by mail or in person, within forty-eight (48) hours following the day of such transactions. Delivery by mail shall be deemed made when deposited in the United States mail, postage prepaid. Further, these records shall be made available for inspection each business day, except Sunday, by the sheriff of the county and the chief of police of the municipality in which the pawnshop is located.

SECTION 7. Tennessee Code Annotated, Section 45-6-210, is amended by deleting the section in its entirety and by substituting instead the following:

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

Section 45-6-210. Rate of Interest - Other Charges Permitted. In connection with and for a pawn or pawn transaction, no pawnbroker shall demand and receive a rate of interest greater than two (2) percent per month of the amount of the loan advance under the pawn or pawn transaction, and no other charge of any description, for any purpose whatsoever, shall be made by the pawnbroker; except that the pawnbroker may charge, contract for and receive a fee not to exceed one-fifth (1/5) of the amount of the loan advance under the pawn or pawn transaction for investigating the title, storage, insuring the pledged goods, closing the loan, making daily reports to local law enforcement officers and for other expenses, losses of every nature whatsoever and for all other services. Such fee when made and collected shall not be deemed interest for any purpose of law. Such interest and fee shall be deemed to be earned, due and owing as of the date of the pawn transaction and a like sum shall be deemed earned, due and owing on the same day of each subsequent month.

SECTION 8. Tennessee Code Annotated, Section 45-6-211, is amended by deleting the section in its entirety and by substituting instead the following:

Section 45-6-211. Failure to Redeem -

(a) In every pawn transaction made under a loan of money pawn transaction as defined herein, the pawnbroker shall retain in his possession the pledged goods for thirty (30) days after the maturity date of the pawn transaction. Pledged goods not redeemed by the pledgor on or before the maturity date of the pawn transaction set out

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1605 House Bill No. 1643**

in the pawn ticket issued in connection with any pawn transaction may be redeemed by the pledgor within such period of thirty (30) days after the maturity date of the pawn transaction by the payment of the originally agreed redemption price (interest, fee and loan amount), and the payment of the additional interest and fee for the period following the original maturity date due on the pawn transaction.

(b) But if the pledgor fails to redeem the pledged goods within thirty (30) days after the maturity date of the pawn transaction, the pledgor shall thereby forfeit all right, title and interest of, in and to the pledged goods to the pawnbroker, who shall thereby acquire an absolute title to the pledged goods and the debt becomes satisfied, and the pawnbroker shall have the authority to sell or dispose of the unredeemed pledged goods as his own and he may, if he decides, sell the unredeemed pledged goods.

(c) It is provided, however, that if the pledgor shall lose his pawn ticket, he shall not thereby forfeit his right to redeem the pledged goods, but may promptly, before the lapse of the final redemption date, make affidavit for such loss; describing the pledged goods, which affidavit shall take the place of the pawn ticket, unless the pledged goods have already been redeemed under this part.

(d) The following information shall be printed on all pawn tickets or buy-sell tickets:

(i) "ANY PERSONAL PROPERTY PLEDGED TO A PAWNBROKER WITHIN THIS STATE IS SUBJECT TO SALE OR DISPOSAL WHEN THERE HAS BEEN NO

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

PAYMENT MADE ON THE ACCOUNT FOR A PERIOD OF THIRTY (30) DAYS AFTER THE MATURITY DATE OF THE PAWN TRANSACTION AND NO FURTHER NOTICE IS NECESSARY";

(ii) "THE PLEDGOR OF THIS ITEM ATTESTS THAT IT IS NOT STOLEN, IT HAS NO LIENS OR ENCUMBRANCES AGAINST IT AND THE PLEDGOR HAS THE RIGHT TO SELL OR PAWN THE ITEM";

(iii) "THE ITEM PAWNED IS REDEEMABLE ONLY BY THE BEARER OF THIS TICKET"; and

(iv) a blank line for the pledgor's signature.

SECTION 9. Tennessee Code Annotated, Section 45-6-212, is amended by adding the following new subdivision at the end of the section:

(11) Enter into any pawn transaction which has a maturity date less than thirty (30) days after the date of the pawn transaction.

SECTION 10. Tennessee Code Annotated, Section 45-6-213(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a) Any person who sells property to a pawnbroker or pledges property as security for a loan shall obtain and record the information provided for in Tennessee Code Annotated, Section 45-6-209(b)(6) and obtain a statement of the pledgor that he or she is the lawful owner of such item, as provided in Tennessee Code Annotated, Section 46-6-211(d), and have the record signed by the person from whom he receives the

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

property. This record shall be made available to any law enforcement agency or officer upon request.

SECTION 11. Tennessee Code Annotated, Section 45-6-219, is amended by designating the existing language as (a), and adding the following language as subdivisions (5) and (6):

(a)

(5) Require reports or pawn tickets providing identification, information or descriptions different from that required in Tennessee Code Annotated, Section 45-6-209.

(6) Require a pawnbroker to hold over-the-counter purchase of goods which the seller does not intend to buy back for a period of more than fifteen (15) days before offering the merchandise for resale.

SECTION 12. Tennessee Code Annotated, Section 45-6-219, is further amended by adding the following as a new appropriately designated subsection:

(b) A law enforcement official from any county, municipality, city or taxing district may not charge a pawnbroker, firm or corporation a fee for receiving, reviewing or processing daily reports or pawn tickets as defined in Tennessee Code Annotated, Section 45-6-209, or any other information required by such law enforcement official.

SECTION 13. Tennessee Code Annotated, Title 45, is amended by adding the following new chapter with sections appropriately designated:

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1605**

**House Bill No. 1643**

45-15-101. Short Title.

This part shall be known and may be cited as the "Tennessee Title Pledge Act."

45-15-102. Purpose.

The making of title pledge loans vitally affects the general economy of this state and the public interest and welfare of its citizens. It is the policy of this state and the purpose of this chapter to:

- (1) Ensure a sound system of making title pledge loans through licensing of title pledge lenders;
- (2) Provide for licensing requirements;
- (3) Ensure financial responsibility to the public;
- (4) Assist local governments in the exercise of their police power.

45-15-103. Definitions.

(1) "Capital" means the assets of a business entity less the liabilities of that business entity. Assets and liabilities shall be measured according to Generally Accepted Accounting Principles (GAAP) or relevant pronouncements of the Financial Accounting Standards Board (FASB).

(2) "Person" means any sole proprietorship, general partnership, corporation or limited liability company duly qualified to do business in Tennessee.

(3) "Pledged property" means any titled personal property or personal property certificate of title that is deposited with a title pledge lender in the course of the

AMENDMENT NO. \_\_\_\_\_

**FILED**  
Date \_\_\_\_\_  
Time \_\_\_\_\_  
Clerk \_\_\_\_\_  
Comm. Amdt. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**AMEND Senate Bill No. 1605 House Bill No. 1643**

title pledge lender's business and is the subject of a title pledge agreement or property pledge agreement.

(4) "Title pledge agreement" means a thirty (30) day written agreement whereby a title pledge lender agrees to make a loan of money to a pledgor, and the pledgor agrees to give the title pledge lender a security interest in unencumbered titled personal property owned by the pledgor. The pledgor shall agree for the title pledge lender to keep possession of the certificate of title. The pledgor shall have the exclusive right to redeem the certificate of title by repaying the loan of money in full and by complying with the title pledge agreement. When the certificate of title is redeemed, the title pledge lender shall release the security interest in the titled personal property and return the personal property certificate of title to the pledgor. The title pledge agreement shall provide that upon failure by the pledgor to redeem the certificate of title at the end of the original thirty (30) day agreement period, or at the end of any thirty (30) day renewal(s) thereof, the title pledge lender shall be allowed to take possession of the titled personal property. The title pledge lender shall retain physical possession of the certificate of title for the entire length of the title pledge agreement, but shall not be required to retain physical possession of the titled personal property at any time. A title pledge lender may only hold unencumbered certificates of title for pledge.

(5) "Title pledge lender" means any person engaged in the business of making title pledge agreements and/or property pledge agreements with pledgors;

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**  
Date \_\_\_\_\_  
Time \_\_\_\_\_  
Clerk \_\_\_\_\_  
Comm. Amdt. \_\_\_\_\_  
\_\_\_\_\_

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(6) "Title pledge office" means the location at which, or premises in which, a title pledge lender regularly conducts business.

(7) "Titled personal property" means any personal property the ownership of which is evidenced and delineated by a state-issued certificate of title.

(8) "Property pledge agreement" means any written bailment or similar agreement whereby a title pledge lender agrees to make a loan of money to a pledgor, and the pledgor agrees for the title pledge lender to take physical possession of unencumbered titled personal property owned by the pledgor, and to take possession of the personal property certificate of title. The pledgor shall have the exclusive right to redeem the titled personal property by repaying the loan of money in full and by complying with the property pledge agreement. When the titled personal property is redeemed, the title pledge lender shall return the titled personal property and the certificate of title to the pledgor. The property pledge agreement shall provide that upon failure by the pledgor to redeem the titled personal property at the end of the original thirty (30) day agreement period, or the end of any subsequent thirty (30) day renewal(s) thereof, the title pledge lender shall be allowed to sell or otherwise dispose of the titled personal property.

45-15-104. Authority of licensed title pledge lenders.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(1) A title pledge lender licensed pursuant to this chapter shall have the power to make loans of money on pledges of personal property certificates of title or on pledges of titled personal property in accordance with the provisions of this act.

(2) Title pledge lenders licensed pursuant to this chapter shall not have the powers enumerated in this act without first complying with the law regulating title pledge agreements and property pledge agreements, but title pledge lenders exercising any of the powers in compliance with this act's provisions shall not be deemed in violation of Tennessee Code Annotated Sections 47-9-504(3), 47-14-112, or 47-14-117. No action shall be brought by a pledgor against a title pledge lender in connection with a title pledge agreement or property pledge agreement more than one (1) year after the date of the alleged occurrence of any violation of this act.

45-15-105. License required.

It is unlawful for any person to be a title pledge lender unless such person has first procured a license to conduct such business in the manner and form as provided in this act.

45-15-106. Eligibility requirements for license.

(a) To be eligible for a title pledge lender's license, an applicant must be operating as a sole proprietorship, general partnership, a corporation or limited liability company duly qualified to do business in Tennessee, and must:

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(1) Have capital of at least seventy-five thousand dollars (\$75,000) per title pledge office; and

(2) Represent that the business will be operated lawfully, fairly and ethically within the purpose of this chapter.

(b) If so requested, on or after January 1, 1996, by the appropriate law enforcement agency in any county having a population in excess of eight hundred thousand (800,000), according to the 1990 federal census or any subsequent federal census, have a computer system which is capable of electronically transferring information on pledged titled vehicles or vehicle certificates of title to the sheriff or local law enforcement agency where such title pledge office is located.

45-15-107. Petition for license - Fee for investigation.

(a) Every person desiring to be a title pledge lender shall petition the county clerk in the county in which the person's title pledge office is to be operated for a license to conduct such a business.

(b) Such petitions shall provide:

(1) The name of all individual(s) having a beneficial ownership interest in the business, and, in the case of a corporation, all individuals serving as officers or directors, whether or not such persons have a beneficial ownership interest;

(2) The place, street, and number where the title pledge office is to be operated;

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(3) The amount of capital to be used in the business, accompanied by an unaudited financial statement from a certified public accountant;

(4) An affidavit from each individual outlined in Tennessee Code Annotated, Section 45-15-107(b)(1) stating that each individual has not been convicted of a felony within the ten (10) year period preceding the date of application; and

(5) Certified funds in the amount of fifty dollars (\$50) payable to the county clerk to defray costs.

45-15-108. Granting of license - Fees - Transfer of License - Renewals.

(a) Every person having satisfied the provisions of this act and having paid the business and any other taxes required by law shall be granted a license as provided herein. The license issued hereunder shall state the name of the person to whom issued, the place of business and street number where the title pledge office is located, and the amount of capital employed. Such license shall entitle the person to do business at the place designated in such license. Such license shall not be transferable from one (1) person to another, but may be transferred from one (1) location to another, or from one (1) county to another, upon payment to the county clerk of any county involved in the transfer, a fee of fifty dollars (\$50).

(b) A title pledge lender license shall be renewed each year upon payment of the business tax.

45-15-109. Record of transactions required - Inspection.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(a) Every title pledge lender shall keep a consecutively numbered record of each and every title pledge agreement or property pledge agreement executed. Such record, as well as the title pledge agreement or property pledge agreement itself, shall include the following:

(1) a clear and accurate description of the titled personal property, including its vehicle identification number, if applicable, license plate number (if applicable), year, make, model, type, and color;

(2) the date of the title pledge or property pledge agreement;

(3) the amount of the loan made pursuant to the title pledge or property pledge agreement;

(4) the date of maturity of the loan; and

(5) the name, race, sex, height, date of birth, social security number, residence address, and the type and unique identification number of the photo identification of the pledgor.

(b) The pledgor shall sign the title pledge agreement or property pledge agreement, and shall be provided with a copy of such agreement. The title pledge agreement or property pledge agreement shall also be signed by the title pledge lender, his employee or his agent.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(c) This information shall be made available for inspection by the sheriff of the county and the chief of police of the municipality in which the title pledge lender is located during the regular business hours of the title pledge office.

45-15-110. Recording of liens.

The title pledge lender shall be required to record his or her security interest in titled personal property by noting liens on the certificate of title for all title pledge transactions, but shall not be required to note liens for property pledge transactions in which the title pledge lender retains possession of both the titled personal property and the certificate of title during the entire term of the transaction.

45-15-111. Rate of interest and charges.

(a) A title pledge lender shall contract for and receive an effective rate of interest not to exceed two percent (2%) per month; additionally, the title pledge lender may charge, contract for, and receive a customary fee to defray the ordinary costs of operating a title pledge office, including without limitation, investigating the title, appraising the titled personal property, insuring the personal property when in the physical possession of the title pledge lender, documenting and closing the title or property pledge transaction, making required reports to local law enforcement officials, for all other services provided by the title pledge lender, advertising, for losses on title pledge or property pledge transactions, salaries, and for all other expenses incurred by the title pledge lender except those in Tennessee Code Annotated, Section 45-15-

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

111(b). Such a fee shall not be deemed interest for any purpose of law, and such fee may equal no more than one-fifth (1/5th) of the original principal amount of the title pledge agreement or property pledge agreement, or of the total unpaid balance due at the inception of any renewal thereof. Such interest and fees shall be deemed to be earned, due and owing as of the date of the title pledge agreement or property pledge agreement and a like sum shall be deemed earned, due and owing on the same day of each subsequent thirty (30) day period.

(b) Title pledge lenders may assess and collect, as reimbursement, a repossession charge not to exceed the actual amount charged by any company(s), attorney(s) and/or contractor(s) to repossess the titled personal property and deliver such titled personal property to the storage facility of the title pledge lender.

45-15-112. Right to redeem.

Except as otherwise provided in this act, the pledgor, upon presentation of suitable identification shall be entitled to redeem the titled personal property and/or certificate of title described therein upon satisfaction of all outstanding obligations pursuant to the title pledge or property pledge agreement and this act.

45-15-113. Thirty (30) day agreements - Renewal of agreements.

Title pledge agreements and property pledge agreements made pursuant to this act shall not exceed thirty (30) days in length. However, such agreements may provide

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

for renewals for additional thirty (30) day periods, which may occur automatically, unless one of the following has occurred:

- (1) The pledgor has redeemed the pledged titled personal property or certificate of title by paying all principal, interest, and customary fees due in accordance with the title pledge agreement or property pledge agreement;
- (2) The pledgor has surrendered possession, title and all other interest in and to the titled personal property and the certificate of title to the title pledge lender;
- (3) The title pledge lender has notified the pledgor in writing that the title pledge agreement or property pledge agreement is not to be renewed; or
- (4) Default by pledgor of any obligation pursuant to the title pledge agreement or property pledge agreement.

45-15-114. Twenty (20) day holding period - Failure to redeem.

(a) Upon expiration of a property pledge agreement and the final renewal thereof, if any, the title pledge lender shall retain possession of the titled personal property and the certificate of title for at least twenty (20) days. If the pledgor fails to redeem the titled personal property and the certificate of title before the lapse of the twenty (20) day holding period, the pledgor shall thereby forfeit all right, title and interest in and to the titled personal property to the title pledge lender, who shall thereby acquire an absolute right of title to the titled personal property, and the title pledge lender shall have the right and authority to sell or dispose of the unredeemed pledged property.

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(b) The title pledge lender has, upon default by the pledgor of any obligation pursuant to the title pledge agreement, the right to take possession of the titled personal property. In taking possession, the title pledge lender or his agent may proceed without judicial process if this can be done without breach of the peace; or, if necessary, may proceed by action to obtain judicial process. After taking possession of the titled personal property, the title pledge lender shall retain possession of the titled personal property and the certificate of title for a twenty (20) day holding period.

(1) If, during the twenty (20) day holding period, the pledgor pays the repossession fee, and redeems the titled personal property and certificate of title by paying all outstanding principal, interest, and other customary fees, the pledgor shall be given possession of the titled personal property and the certificate of title without further charge.

(2) If the pledgor fails to redeem the titled personal property and certificate of title during the twenty (20) day holding period, then the pledgor shall thereby forfeit all right, title, and interest in and to the titled personal property and certificate of title, to the title pledge lender, who shall thereby acquire an absolute right of title and ownership to the titled personal property. The title pledge lender shall then have the sole right and authority to sell or dispose of the unredeemed titled personal property.

(c) If the pledgor loses the title pledge agreement or property pledge agreement or other evidence of the transaction, the pledgor shall not thereby forfeit the

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

right to redeem the pledged property, but may promptly, before the lapse of the redemption date, make affidavit for such loss, describing the pledged property, which affidavit shall, in all respects, replace and be substituted for the lost evidence of the pledge transaction.

45-15-115. Prohibited actions.

A title pledge lender shall not:

(1) Accept a pledge from a person under eighteen (18) years of age; from anyone who appears to be intoxicated; or from any person known to such title pledge lender to have been convicted of larceny, burglary or robbery;

(2) Make any agreement giving the title pledge lender any recourse against the pledgor other than the title pledge lender's right to take possession of the titled personal property and certificate of title upon the pledgor's default or failure to redeem, and to sell or otherwise dispose of the titled personal property in accordance with the provisions of this act;

(3) Enter into a title pledge agreement in which the amount of money loaned in consideration of the pledge of any single certificate of title exceeds two thousand five hundred (\$2,500) dollars. However, no such prohibition shall exist regarding the amount of money loaned in a property pledge transaction as defined in Tennessee Code Annotated, Section 45-15-103(8);

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

(4) Accept any waiver, in writing or otherwise, of any right or protection accorded a pledgor under this part;

(5) Fail to exercise reasonable care to protect from loss or damage titled personal property or certificates of title in the physical possession of the title pledge lender;

(6) Purchase titled personal property in the operation of its business;

(7) Maintain more than one (1) title pledge office or place of operation for each title pledge lender under each license. However, any such licensee may move from one (1) place of business to another, as provided in Tennessee Code Annotated, 45-15-108(a); or

(8) Keep open such title pledge office before eight o'clock a.m. (8:00 a.m.) or after six o'clock p.m. (6:00 p.m.) of any day during the year, with the exception of November 25 through December 24 of each year. During those days, the title pledge lender may open such place of business at eight o'clock a.m. (8:00 a.m.) and shall be entitled to close at nine o'clock p.m. (9:00 p.m.); provided that any municipality which contains within its corporate limits a portion of a military reservation which is located partially within the boundary of the state of Tennessee and partially within the boundary of another state and which has a population of not less than fifty-three thousand (53,000) and not more than seventy-five thousand (75,000) according to the 1990 federal census or any subsequent federal census, may extend such hours of operation

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

by ordinance of the governing body beyond the hours of operation established pursuant to this subdivision, but such extension of hours shall not exceed the hours authorized in the closest contiguous state to such municipality.

45-15-116. Safekeeping of titled personal property or personal property certificates of title - Insurance coverage - Damaged property.

Every title pledge lender licensed under the provisions of this act shall provide a safe place for the keeping of the pledged property. The title pledge lender shall have sufficient insurance coverage on the pledged property, in the event of loss or damage, for the benefit of the pledgor to pay the title pledge value of the pledged property as written on the title pledge or property pledge agreement, provided such personal property is in the physical possession of the title pledge lender. Such insurance policy shall name the county clerk as an additional insured party for the protection and benefit of the pledgor. Title pledge value for the purposes of this section, means the amount of money loaned in consideration of the pledged goods as stated on the title pledge or property pledge agreement.

45-15-117. Penalties.

Every person who knowingly violates any of the provisions of this part, on conviction thereof, commits a Class A misdemeanor. If such violation is by an owner or major stockholder or partner of the title pledge office, and such violation is knowingly

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 1605 House Bill No. 1643**

committed by the owner, major stockholder or partner of the title pledge office, then the license of such title pledge lender may be suspended or revoked.

45-15-118. Authority of municipal corporations to regulate.

All of the incorporated municipalities, cities and taxing districts in this state shall have authority by ordinance to adopt the provisions of this part and shall have authority to adopt such further rules and regulations as the legislative councils of such incorporated municipalities, cities and tax districts may deem right and proper. No incorporated municipality, city or taxing district shall have authority to regulate:

- (1) Interest, fees and other charges;
- (2) Hours of operation;
- (3) The nature of the business or types of title pledge or property pledge agreements;
- (4) Eligibility of pledgors; or
- (5) License requirements.

45-15-119. Acquiring a license / Maintaining an existing license.

Any licensed pawnbroker in the business of contracting for title pledges or making title pledge agreements as of the effective date of this act, may apply for a title pledge license upon payment to the county clerk of a fee of fifty dollars (\$50). The county clerk shall issue such license, without further conditions or qualifications, if such application is made within sixty (60) days from the effective date of this act. Any person

AMENDMENT NO. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

<b>FILED</b>
Date _____
Time _____
Clerk _____
Comm. Amdt. _____
_____

**AMEND Senate Bill No. 1605 House Bill No. 1643**

receiving a title pledge license under the provisions of this section shall also have the right to continued renewals of such license pursuant to Tennessee Code Annotated §45-15-108(b).

SECTION 14. This act shall take effect upon passage, the public welfare requiring it.