

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Pawnbroker Regulation Act is amended by
5 changing Sections 0.05 and 4 as follows:

6 (205 ILCS 510/0.05)

7 Sec. 0.05. Administration of Act.

8 (a) This Act shall be administered by the Secretary of
9 Financial and Professional Regulation, and, beginning on July
10 28, 2010 (the effective date of Public Act 96-1365), all
11 references in this Act to the Commissioner of Banks and Real
12 Estate are deemed, in appropriate contexts, to be references to
13 the Secretary of Financial and Professional Regulation, who
14 shall have all of the following powers and duties in
15 administering this Act:

16 (1) To promulgate reasonable rules for the purpose of
17 administering the provisions of this Act.

18 (2) To issue orders for the purpose of administering
19 the provisions of this Act and any rule promulgated in
20 accordance with this Act.

21 (2.5) To order restitution to consumers suffering
22 damages resulting from violations of this Act, rules
23 promulgated in accordance with this Act, or other laws or

1 regulations related to the operation of a pawnshop.

2 (3) To appoint hearing officers and to hire employees
3 or to contract with appropriate persons to execute any of
4 the powers granted to the Secretary under this Section for
5 the purpose of administering this Act and any rule
6 promulgated in accordance with this Act.

7 (4) To subpoena witnesses, to compel their attendance,
8 to administer an oath, to examine any person under oath,
9 and to require the production of any relevant books,
10 papers, accounts, and documents in the course of and
11 pursuant to any investigation being conducted, or any
12 action being taken, by the Secretary in respect of any
13 matter relating to the duties imposed upon, or the powers
14 vested in, the Secretary under the provisions of this Act
15 or any rule promulgated in accordance with this Act.

16 (5) To conduct hearings.

17 (6) To impose civil penalties ~~graduated~~ up to \$10,000
18 ~~\$1,000~~ against any person for each day that person violates
19 ~~violation of~~ any provision of this Act, any rule
20 promulgated in accordance with this Act, any State or
21 federal law affecting pawnbrokers, or any order of the
22 Secretary based upon the seriousness of the violation.

23 (6.5) To initiate, through the Attorney General,
24 injunction proceedings whenever it appears to the
25 Secretary that any person, whether licensed under this Act
26 or not, is engaged or about to engage in an act or practice

1 that constitutes or will constitute a violation of this Act
2 or any rule prescribed under the authority of this Act. The
3 Secretary may, in his or her discretion, through the
4 Attorney General, apply for an injunction, and upon a
5 proper showing, any circuit court may enter a permanent or
6 preliminary injunction or a temporary restraining order
7 without bond to enforce this Act in addition to the
8 penalties and other remedies provided for in this Act.

9 (7) To issue a cease and desist order and, for
10 violations of this Act, any order issued by the Secretary
11 pursuant to this Act, any rule promulgated in accordance
12 with this Act, or any other applicable law in connection
13 with the operation of a pawnshop, to suspend a license
14 issued under this Act for up to 30 days.

15 (8) To determine compliance with applicable law and
16 rules related to the operation of pawnshops and to verify
17 the accuracy of reports filed with the Secretary, the
18 Secretary, not more than one time every 2 years, may, but
19 is not required to, conduct a routine examination of a
20 pawnshop, and in addition, the Secretary may examine the
21 affairs of any pawnshop at any time if the Secretary has
22 reasonable cause to believe that unlawful or fraudulent
23 activity is occurring, or has occurred, therein.

24 (9) In response to a complaint, to address any
25 inquiries to any pawnshop in relation to its affairs, and
26 it shall be the duty of the pawnshop to promptly reply in

1 writing to such inquiries. The Secretary may also require
2 reports or information from any pawnshop at any time the
3 Secretary may deem desirable.

4 (10) To revoke a license issued under this Act if the
5 Secretary determines that (a) a licensee has been convicted
6 of a felony in connection with the operations of a
7 pawnshop; (b) a licensee knowingly, recklessly, or
8 continuously violated this Act or State or federal law or
9 regulation, a rule promulgated in accordance with this Act,
10 or any order of the Secretary; (c) a fact or condition
11 exists that, if it had existed or had been known at the
12 time of the original application, would have justified
13 license refusal; (d) the licensee knowingly submits
14 materially false or misleading documents with the intent to
15 deceive the Secretary or any other party; or (e) the
16 licensee is unable or ceases to continue to operate the
17 pawnshop.

18 (10.2) To remove or prohibit the employment of any
19 officer, director, employee, or agent of the pawnshop who
20 engages in or has engaged in unlawful activities that
21 relate to the operation of a pawnshop.

22 (10.7) To prohibit the hiring of employees who have
23 been convicted of a financial crime or any crime involving
24 breach of trust who do not meet exceptions as established
25 by rule of the Secretary.

26 (11) Following license revocation, to take possession

1 and control of a pawnshop for the purpose of examination,
2 reorganization, or liquidation through receivership and to
3 appoint a receiver, which may be the Secretary, a pawnshop,
4 or another suitable person.

5 (b) After consultation with local law enforcement
6 officers, the Attorney General, and the industry, the Secretary
7 may by rule require that pawnbrokers operate video camera
8 surveillance systems to record photographic representations of
9 customers and retain the tapes produced for up to 30 days.

10 (c) Pursuant to rule, the Secretary shall issue licenses on
11 an annual or multi-year basis for operating a pawnshop. Any
12 person currently operating or who has operated a pawnshop in
13 this State during the 2 years preceding the effective date of
14 this amendatory Act of 1997 shall be issued a license upon
15 payment of the fee required under this Act. New applicants
16 shall meet standards for a license as established by the
17 Secretary. Except with the prior written consent of the
18 Secretary, no individual, either a new applicant or a person
19 currently operating a pawnshop, may be issued a license to
20 operate a pawnshop if the individual has been convicted of a
21 felony or of any criminal offense relating to dishonesty or
22 breach of trust in connection with the operations of a
23 pawnshop. The Secretary shall establish license fees. The fees
24 shall not exceed the amount reasonably required for
25 administration of this Act. It shall be unlawful to operate a
26 pawnshop without a license issued by the Secretary.

1 (d) In addition to license fees, the Secretary may, by
2 rule, establish fees in connection with a review, approval, or
3 provision of a service, and levy a reasonable charge to recover
4 the cost of the review, approval, or service (such as a change
5 in control, change in location, or renewal of a license). The
6 Secretary may also levy a reasonable charge to recover the cost
7 of an examination if the Secretary determines that unlawful or
8 fraudulent activity has occurred. The Secretary may require
9 payment of the fees and charges provided in this Act by
10 certified check, money order, an electronic transfer of funds,
11 or an automatic debit of an account.

12 (e) The Pawnbroker Regulation Fund is established as a
13 special fund in the State treasury. Moneys collected under this
14 Act shall be deposited into the Fund and used for the
15 administration of this Act. In the event that General Revenue
16 Funds are appropriated to the Department of Financial and
17 Professional Regulation for the initial implementation of this
18 Act, the Governor may direct the repayment from the Pawnbroker
19 Regulation Fund to the General Revenue Fund of such advance in
20 an amount not to exceed \$30,000. The Governor may direct this
21 interfund transfer at such time as he deems appropriate by
22 giving appropriate written notice. Moneys in the Pawnbroker
23 Regulation Fund may be transferred to the Professions Indirect
24 Cost Fund, as authorized under Section 2105-300 of the
25 Department of Professional Regulation Law of the Civil
26 Administrative Code of Illinois.

1 (f) The Secretary may, by rule, require all pawnshops to
2 provide for the expenses that would arise from the
3 administration of the receivership of a pawnshop under this Act
4 through the assessment of fees, the requirement to pledge
5 surety bonds, or such other methods as determined by the
6 Secretary.

7 (g) All final administrative decisions of the Secretary
8 under this Act shall be subject to judicial review pursuant to
9 the provisions of the Administrative Review Law. For matters
10 involving administrative review, venue shall be in either
11 Sangamon County or Cook County.

12 (Source: P.A. 96-1038, eff. 7-14-10; 96-1365, eff. 7-28-10;
13 97-333, eff. 8-12-11.)

14 (205 ILCS 510/4) (from Ch. 17, par. 4654)

15 Sec. 4. Every pawnbroker shall, at the time of making any
16 advancement or loan, deliver to the person pawning or pledging
17 any property, a memorandum, contract, or note signed by him or
18 her containing an accurate account and description, in the
19 English language, of all the goods, articles or other things
20 pawned or pledged, the amount of money, ~~value of things loaned~~
21 ~~thereon,~~ the time of pledging the same, the rate of interest to
22 be paid on the loan, the name and residence of the person
23 making the pawn or pledge, and the amount of any fees as
24 specified in Section 2 of this Act.

25 (Source: P.A. 87-802.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.