



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-4446/1
ARG:ahe

2015 ASSEMBLY BILL 779

January 22, 2016 – Introduced by Representatives SWEARINGEN and AUGUST, cosponsored by Senator LASEE. Referred to Committee on State Affairs and Government Operations.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to renumber and amend* 138.10 (9); *to amend* 138.10 (11); and *to*
2 *create* 138.10 (9) (a) 2., 3. and 4. of the statutes; **relating to:** the method of
3 sending notices by pawnbrokers.

Analysis by the Legislative Reference Bureau

This bill allows pawnbrokers to send certain notices by electronic mail, text message, or other means.

Under current law, pawnbrokers receive security for loans to customers by taking possession of the customer's personal property. If the customer defaults on the loan, the pawnbroker may sell the personal property, subject to certain conditions. At least 30 days before selling the personal property, the pawnbroker must send to the customer, by registered mail, a notice of the contemplated sale, which notice must also state the amount due on the loan. If the sale is completed and results in a surplus, the pawnbroker must send to the customer, by registered mail, notice of the surplus from the sale. These provisions, however, do not apply if the pawnbroker is a "licensed lender," which is a lender, other than a financial institution, licensed by the Department of Financial Institutions to assess a greater than 18 percent finance charge for a consumer loan.

This bill allows pawnbrokers to send notices of sale and notices of surplus by means other than registered mail. Under the bill, these notices may be sent by electronic mail or text message if the customer agrees to receive notices by electronic

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mail or text message, or they may be sent by any other method agreed to by the pawnbroker and the customer.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 138.10 (9) of the statutes is renumbered 138.10 (9) (a) (intro.) and
2 amended to read:

3 138.10 **(9)** (a) (intro.) A pawnbroker shall not sell any pledge unless due notice
4 of such contemplated sale has been ~~forwarded~~ sent to the pledgor by. This notice may
5 be sent in any of the following ways:

6 1. By registered mail to the address most recently given by the pledgor at the
7 ~~time of obtaining the loan or to such new address of the pledgor, as shown on~~ in the
8 pawnbroker's ~~record~~ records.

9 (b) Notice of the contemplated sale of a pledge shall be ~~mailed~~ sent to the
10 pledgor not less than 30 days prior to the date of sale. Such notice shall state total
11 amount of principal, interest and charges due on the loan as of the date of the notice.

12 **SECTION 2.** 138.10 (9) (a) 2., 3. and 4. of the statutes are created to read:

13 138.10 **(9)** (a) 2. By electronic mail to the electronic mail address most recently
14 given by the pledgor, as shown in the pawnbroker's records, if the pledgor agrees to
15 receive notices by electronic mail.

16 3. By text message to the telephone number for receiving text messages most
17 recently given by the pledgor, as shown in the pawnbroker's records, if the pledgor
18 agrees to receive notices by text message.

19 4. By any other method agreed to by the pawnbroker and pledgor.

20 **SECTION 3.** 138.10 (11) of the statutes is amended to read:

