

Town of Somerset
Pawnbrokers Licensing By-law
Pursuant to MGL Chapter 140, Section 70
Adopted STM January 26, 1998
Amended ATM May 20, 2002 (Article 33)

1. **License Required:** No person shall carry on the business of a pawnbroker in the Town of Somerset unless he is duly licensed therefore by the Board of Selectmen. Such a license may be issued upon finding by said Board that the applicant is a suitable person to carry on such business and that the location proposed is a suitable location for such a business. The fee for such a license shall be Fifty Dollars (\$50.00) payable to the Town Clerk upon submission of a license application and shall be non-refundable.
2. **Records to be kept; Inspection:** Every pawnbroker doing business in the Town of Somerset shall keep a book in which, at the time of making a loan, shall be legibly written in the English language an account and description, including all distinguishing marks and numbers, of the article pawned, the amount of money loaned thereon, the time of pawning the, the rate of interest to be paid on such loan, and the name and residence of the person pawning such articles, and shall furnish without charge a correct record of such transactions, containing all such information, to the pledgor and, once a week or at such other intervals as required, to the licensing authorities or their designees. Pursuant to the requirements of state law, every pawnbroker shall also photograph any person pawning articles and keep the photographs with said books as part of his or her records. All such books shall at all reasonable times be open to inspection by duly-authorized police officials as set forth in M.G.L. chapter 140, section 81.
3. **Receipt of Articles from Minors:** No person licensed under this By-law shall, directly or indirectly, receive any article in pawn from any minor, knowing or having reasonable cause to believe him or her to be such.
4. **Pawned Articles Subject to Examination by Police:** All articles received in pawn may be examined at all times by members of the Somerset Police Department and by the Board of Selectmen or any person authorized by them to make such an examination.
5. **Licenses to Designate Place of Business:** All licenses granted under this By-law shall designate the place where the person licensed may carry on his or her business and the licensee shall not engage or carry on his or her business in any place other than the one so designated.

6. **Bond**: The licensee shall, at the time of receiving such license, file with the Town Clerk a bond to the Town of Somerset in the sum of three hundred dollars (\$300.00), with two sureties approved by said Town Clerk, and conditioned for the faithful performance of the duties and obligations pertaining to the business so licensed.
7. **Applications/Renewals**: Applications for new licenses under this by-law may be filed at any time with the Somerset Town Clerk. Applications for the re-issuance of licenses already existing should be filed at least thirty days before the expiration of such licenses. All licenses issued shall expire annually on the last day of December. Persons whose licenses have expired and have not been re-issued will be liable to prosecution if carrying on the business for which a license is required.
8. **Applicability**: Persons who engage in or carry on the business of lending money on mortgages, deposits, or pledges or wearing apparel, jewelry, ornaments, household goods, or other personal property, of purchasing such property on condition of selling the same back again at a stipulated price, when the property so mortgaged, pledged, or purchased is deposited with the lender, must be licensed as pawnbrokers. This provision, however, does not apply to loans made on stocks, bonds, notes, or other written or printed evidence of ownership of property or of indebtedness to the holder or owner of such securities.
9. **Interest**: Subject to any additional or more restrictive limitations contained in state or federal law, pawnbrokers licensed hereunder may charge the following rates of interest:
 - (a.) For loans up to and including twenty-five dollars (\$25.00), five percent a month (and each fraction thereof at the same rate).
 - (b.) For loans over twenty-five dollars (\$25.00), three percent a month (and each fraction thereof at the same rate).

No such pawnbrokers shall charge or receive any greater rate of interest and interest shall be determined on the precise sum advanced by the lender. No pawnbroker shall make or receive any extra charge or fee for storage, care, or safekeeping of any goods, articles or things pawned with him.

10. **Inspections**: Any officer of the Somerset Police Department or member of the Somerset Board of Selectmen, as licensing authority, may at any time enter upon any premises used by a pawnbroker licensed hereunder for the purposes of his business, ascertain how he conducts his business, and examine all articles taken in pawn or kept or stored in or upon said premises and all books and inventories shall be exhibited to any such officer or member whenever a demand shall be made for such exhibition. Upon refusal of any person licensed hereunder to allow such inspections, penalties may be assessed pursuant to M.G.L. chapter 140, section 74.
11. **Identification of Persons Pawning or Pledging**: For all loans, every pawnbroker shall required positive identification and record the type of identification presented and record the date of birth from any person pawning or pledging any article. Positive identification

shall mean any picture identification card issued by a governmental agency. In addition, each pledger shall be required by the pawnbroker to sign his name, age and address on a card. In the event that the pledger is unable to write, the pawnbroker shall fill in the name, age, and address on such card, together with a notation stating that the pledger was unable to do so. Such card shall be retained by the licensee for at least seven years in an alphabetical index file.

12. **Monthly Reporting:** On the first business day of each month before the hour of 10:00 a.m., every licensed pawnbroker shall make out and deliver to the office of the Chief of Police at the Somerset Police Department a legible and correct list containing an accurate description, including all distinguishable marks and numbers, of all articles taken in pawn during the preceding month, the amount loaned thereon, and the time when such articles were pawned. If during the preceding month no articles have been taken in pawn by such pawnbroker, the licensee shall make out and deliver to the Chief a report of such fact.
13. **Stolen Property:** If any goods or articles pawned or pledged and in the possession of a pawnbroker are subsequently determined to be stolen property by a member of the Somerset Police Department or State Police Department, or if the rightful owner identifies property in the possession of a pawnbroker and the property so identified is confirmed to be stolen pawned goods by a member of the Somerset Police Department or State Police Department or upon direction by the Somerset Police Department or State Police Department, said property shall be returned to the rightful owner at no cost to such owner.
14. **Posting of Regulations, etc:** Every licensed pawnbroker shall post in a conspicuous place upon his premises a copy of all pertinent statutes, by-laws, and regulations relating to pawnbrokers and shall put in some suitable and conspicuous place on his premises a sign having his name and occupation legibly inscribed thereon in large letters. No pawnbroker shall place or maintain any signs or devices upon or in connection with his licensed premises indicating or tending to indicate that any form of business is conducted therein which he is not legally authorized to pursue.
15. **Hours of Operation:** No pawnbroker shall have his premises open for the transaction of business except on weekdays between sunrise and 9:00 p.m. and on Saturdays between sunrise and 10:00 p.m.
16. **Articles to be retained:** Articles deposited in pawn with a licensed pawnbroker shall, unless redeemed, be retained by him on the premises occupied by him for his business for at least four months after the date of deposit. After the expiration of the applicable period of time, he may sell the article by public auction, apply the proceeds thereof in satisfaction of the debt or demand and the expense of the notice and sale, and pay any surplus to the person entitled thereto on demand. No such sale of any article which is not of a perishable nature shall be made unless not less than ten days prior to the sale a written notice of intended sale shall have been sent by registered mail to the person entitled to the payment of any surplus as aforesaid, addressed to his residence, as appearing in the records of such pawnbroker. Proof of registered mailing shall be kept on

file for one (1) year after the date of sale. No article taken in pawn by such pawnbroker shall be disposed of otherwise than as herein provided, any agreement or contact between the parties thereto to the contrary notwithstanding. Articles of personal apparel shall not be deemed to be of a perishable nature within the meaning of this section.

17. **Prohibited Articles**: No pawnbroker shall loan money secured by deposit or pledge of firearms, rifles, shotguns, or machine guns, nor shall any pawnbroker hold a license to sell, rent, or lease firearms, rifles, shotguns or machine guns.
18. **Investigations/Disciplinary Action**: Complaints concerning licensed pawnbrokers shall be investigated by the Somerset Police Department and Somerset Board of Selectmen, acting as licensing authority. In the event the Board of Selectmen determines that disciplinary action should be instituted against a licensed pawnbroker, the Board shall cause to be served upon the licensed pawnbroker notice as to the time, date, and place of a public hearing on the charge with a statement of the reasons for the proposed disciplinary action. Following such public hearing, the Somerset Board of Selectmen may suspend or revoke the pawnbroker's license for any cause which said Board deems sufficient based upon the evidence presented to the Board. Offenses which may result in the suspension or revocation of pawnbroker's license include, but are not limited to, violation of any provision of this By-law or any applicable provision of other state, federal, or local laws, by-laws or regulations.
19. **CORI Check**: Prior to the issuance of any license hereunder, the Board of Selectmen shall request and obtain the results of a Criminal Offender Record Information ("CORI") check of the applicant through the Massachusetts Criminal History Systems Board, as permitted by law. Positive results from such a CORI check may be cause for denial of a license hereunder.

A True Copy Attest:

Dolores Berge, Town Clerk