



TOWN OF MILFORD

Rules & Regulations For Pawnbrokers

These rules and regulations govern establishments operating under a pawnbroker's license issued by the Milford Board of Selectmen, in accordance with MGL, c140, §70, and all other applicable state and local statutes and by-laws.

Sec. 1

- ❖ The Board of Selectmen may license suitable persons to be pawnbrokers, pursuant to law. Such licenses shall not be valid to protect the holders thereof in a building or place other than that designated in the license, unless consent to removal is granted by the Board of Selectmen.

Applications for new licenses under this rule may be filed at the office of the Board of Selectmen. Applications for the reissue of licenses already existing should be filed at least thirty days before the expiration of such licenses. All licenses issued under this rule shall expire annually on the first day of May, except that licenses may be issued in April to be valid for twelve months beginning the next succeeding first day of May. Persons whose licenses have expired and have not been reissued will be liable to prosecution if carrying on the business for which the license is required.

Every person so licensed shall, at the time of receiving such license, file a bond in the sum of three hundred dollars (\$300) provided in M.G.L. c140, §77.

Persons who engage in or carry on the business of lending money on mortgages, deposits or pledges of wearing apparel, jewelry, ornaments, household goods or other personal property, or 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 stock, bonds, notes or other written or printed evidence of ownership of property or of indebtedness to the holder or owner of such securities. (G.L. c140, §§ 70-85)

Sec. 2

- ❖ Licensed pawnbrokers, shall charge an interest rate of 2% per 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 safe-keeping of any goods, articles or thing pawned with him. (G.L. c140, §78)

Sec. 3

- ❖ Any Milford Police Officer may, at any time, enter upon any premises used by a licensed pawnbroker 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 officer whenever a demand shall be made for such exhibition. (G.L. c140, §73) (Penalty for refusal, G.L. c140, §74)

Sec. 4

- ❖ Every licensed pawnbroker shall, at the time of making any loan, attach a number to the article taken in pawn, and shall make entry of such number in the book provided for by Section 5.

Sec. 5

- ❖ Every licensed pawnbroker shall keep a book of a style and size to be approved by the Police Chief, in which shall be legibly written in the English language, at the time of making each loan, an account and description, including all distinguishing marks and numbers, of the goods, articles or things pledged or pawned, the amount of money loaned thereon, the day and hour when it was pawned, the rate of interest to be paid on such loan, the number of such article as provided for by Section 4, and the name, age and residence of the person pawning the same. No entry made in said book shall be erased, obliterated or defaced.

Every pawnbroker shall photograph any person pawning or pledging articles and keep such photographs with said books as part of his records. (G.L. c140, §79)

For all loans, every pawnbroker shall also require 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.

Sec. 6

- ❖ Each pledger shall be required by the pawnbroker to sign his name, age and address on a card, the style and size of which shall be approved by the Police Chief. 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 seven years in an alphabetical index file by the licensed pawnbrokers.

Sec. 7

- ❖ Every pawnbroker shall, at the time of making such loan, deliver to the person who pawns or pledges any goods, article or thing, a memorandum or note signed by him, containing the substance of the entry required to be made in his book by the provisions of section 5; and no charge shall be made or required by any pawnbroker for any such entry, memorandum or note. (G.L. c140, §80)

Sec. 8

- ❖ Every licensed pawnbroker shall make out and deliver to the Police Department every business day before the hour of 10:00 a.m., a legible and correct list containing an accurate description, including all distinguishable marks and numbers of all articles taken in pawn during the preceding business day, the respective numbers of such articles as provided by section 4, the amount loaned thereon, and the time when such articles were pawned. If during the preceding business day no articles have been taken in pawn by such pawnbroker, he shall make out and deliver to the Police Department before the hour of 10:00 a.m., a report of such fact.

If any articles pawned or pledged and in the possession of a pawnbroker are subsequently determined to be stolen property by a member of the Milford 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 property by a member of the Milford Police Department, upon direction by the Milford Police Department, said property shall be returned to the rightful owner at no cost to such owner.

Sec. 9

- ❖ Every licensed pawnbroker shall post in a conspicuous place in his shop or office a copy of the statutes, ordinances and police regulations relating to pawnbrokers, to be furnished by the Police Department, and shall put in some suitable and conspicuous place on his shop a sign having his name and occupation legibly inscribed thereon in large letters.

No pawnbrokers 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.

Sec. 10

- ❖ *No pawnbroker shall have his shop open for the transaction of business on any day or during any hours other than the days and hours of operation approved by the Board of Selectmen and stated on the face of the license.*

Sec. 11

- ❖ 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, if not of a perishable nature; and, if perishable for at least one month after said date or be retained in a bank vault within the Town of Milford so long as the pawnbroker is able to produce said goods on demand of a Police Officer.

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 the 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 pawnbrokers. Proof of registered mail 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 above provided, any agreement or contract 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. (G.L. c140, §71)

Sec. 12

- ❖ No pawnbroker shall make a loan, directly or indirectly, to a minor, knowing or having reason to believe him to be such.

No pawnbroker shall loan money secured by deposit or pledge of a firearm, rifle, shotgun or machine gun. (G.L. c140, §131B)

No pawnbroker shall hold a license to sell, rent, or lease a firearm, rifles, shotguns or machine guns.

Sec 13

- ❖ Complaints concerning licensed pawnbrokers shall be investigated by police officers of the Milford Police Department. An investigation shall be made in all such instances and a report with recommendations shall be forwarded to the Police Chief.

In the event the Police Chief determines that disciplinary action should be instituted against a licensed pawnbroker, the Selectmen shall cause to be served upon the licensed pawnbroker notice as to the time, date and place of hearing of the charges with a statement of the reasons for the proposed disciplinary action. Hearings shall be conducted in accordance with the applicable statutes and by-laws.

Sec. 14

- ❖ The Board of Selectmen may suspend or revoke licenses provided for by this rule for any cause, which the Police Chief deems sufficient. Offenses which may result in the suspension or revocation of a pawnbroker's license include, but are not limited to the following:

a) A violation of any section of this department rule.

b) Violation of any provision of any statute or ordinance.

Approved and Adopted by:
Milford Board of Selectmen
On March 9, 1992

Revised and approved on September 12, 2005
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