



## SMYRNA POLICE

2646 Atlanta Rd, Smyrna, GA 30080  
(770) 434-9481 • [www.smyrnaga.gov](http://www.smyrnaga.gov)

Chief of Police  
Keith Zgonc

Deputy Chief  
Robert Harvey

October 6, 2021

Chief Zgonc,

I was tasked with reviewing our current pawn ordinance, particularly in respect to the current required period of time that is mandated for items being taken in by pawn shops and being held. The key question was whether or not the current requirements stated in the City of Smyrna pawn shop business ordinances, regarding the length of time a pawned or purchased item was required to be held (originally established for the purpose of providing law enforcement ample time to check items for being stolen and be recovered) were unnecessarily lengthy, antiquated, or not in keeping with the speed and efficiency with which information is processed at the present.

I researched, read, and reviewed all current laws and our city ordinances pertaining to pawns as well as our current city ordinances. I met with area pawn business leaders and discussed their processes for documenting and recording their various business transactions. I reviewed other area agency's pawn records and received advisement, from subject matter experts Lisa Little (of Georgia Pawnbrokers) and Ben Levison, the past President of the National Pawnbrokers Association. My findings were as follows:

- Two types of transactions:
  - Buys/purchase
    - Identified as a Title transfer. No expectation to get back
    - City policy requires pawn shops hold something that is purchased for 10 days to give LE time to check if it's stolen.
    - There is not anything in Georgia law pertaining specifically to the purchase; although, there is for a pawn.
    - Ms. Little and Mr. Levinson concur there is nothing they know of in Georgia law which requires a hold in cases of a purchase.
  - Pawn Transactions are a loan where money is borrowed against an item. There is no title transfer from that until 41 days (30 days plus a 10-day grace period is the law). ½ Interest is different on the first 30 days versus the 31- 40



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- 44-12-130 (3) “Pawn transaction” defined as any loan on the security of pledged goods or any purchase of pledged goods on the condition that the pledged goods may be redeemed or repurchased by the pledgor or seller for a fixed price within a fixed period of time.
- Property § 44-12-131 (a)(1) All pawn transactions shall be for 30-day periods but may be extended or continued for additional 30-day periods.
- Property § 44-12-137 (a) Any pawnbroker and any clerk, agent, or employee of such pawnbroker who shall:
- Make any agreement requiring the personal liability of a pledgor or seller or waiving any of the provisions of this part or providing for a maturity date less than one month after the date of the pawn transaction.
- Property § 44-12-138 (4) A statement that the length of the pawn transaction is 30 days and that it can only be renewed with the agreement of both parties and only for 30-day incremental periods.

Based on the aforementioned, it was determined there is nothing mandated by GA law that I have found that requires a hold be placed on any buy transactions (not to be confused with pawn transactions or state/federally regulated property such as firearms, vehicles, boats, etc.), other than a 7 day hold for purchases of precious metals per O.C.G.A. 43-37-6 a) 6). It is therefore possible that the ordinance requiring holds for buy transactions (strictly purchases and not pawns other than the aforementioned precious metals, firearms, vehicles, titles, and vehicle components) be lifted. As long as the pawn shops continue to maintain their current system of recording pawn and purchase transactions, as specified in the City of Smyrna pawn ordinances, and are vigilant in their efforts to only purchase items from persons and under circumstances they believe or know to be reputable and legitimate, then it is reasonable to not require a holding period unless they are directed to do so by the police.

As a part of the review of the pawn policy it was determined that there are second hand businesses in operation in the city, which buy used items and offer them for resale, and do not abide by any ordinances for buying and reselling the merchandise, while pawn businesses do for the same type transactions (following pawn ordinances). We do have a precious metal ordinance; however, if we are going to develop second-hand business ordinances the two work very similarly. As such, I have provided a policy which combines both precious metals and second-hand businesses for consideration. The two could be potentially separated.

Respectfully,

Maj. James



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