



**State of Wisconsin**  
*Department of Financial Institutions*

Jim Doyle, **Governor**

Lorrie Keating Heinemann, **Secretary**

January 5, 2007

Senate Chief Clerk  
Office of the Senate Chief Clerk  
B20 Southeast, State Capitol  
Madison, Wisconsin 53707-7882

Assembly Chief Clerk  
Office of the Assembly Chief Clerk  
17 West Main Street  
Room 401  
Madison, WI 53703

**VIA HAND-DELIVERY**

**Re: Notice of Proposed Rule**

Dear Chief Clerks:

Pursuant to ss. 227.19(2) and (3), Stats., notice is hereby given that CR 06-124 (proposed rule repealing and recreating ch. DFI—Bkg 77 relating to pawnbrokers) is in final draft form.

**1. STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES.**

The objective of the rule is to repeal and recreate ch. DFI—Bkg 77. Currently ch. DFI—Bkg 77 relates to the “Consumer Credit Review Board.” However, this chapter is no longer necessary and should be repealed because this board was legislatively abolished. Currently pawnbrokers are subject to regulation under s. 138.10, Stats. However, 2005 Wisconsin Act 158 provides that, effective October 1, 2006, if a pawnbroker registers as a licensed lender under s. 138.09, Stats., the pawnbroker is exempt from the requirements of s. 138.10, Stats. The purpose of this rule is to set forth, in the recreated ch. DFI—Bkg 77, matters pertaining to the regulation of pawnbrokers, including definitions, hours and days of operation, holding periods, law enforcement requests and orders, notice of sales, effect of nonredemption, agreements and extensions, prohibited practices, and lost or damaged goods.

**2. SUMMARY OF PUBLIC COMMENTS TO THE PROPOSED RULE AND THE AGENCY’S RESPONSE TO THOSE COMMENTS, AND AN EXPLANATION OF ANY MODIFICATION MADE IN THE PROPOSED RULE AS A RESULT OF PUBLIC COMMENTS OR TESTIMONY RECEIVED AT THE PUBLIC HEARING**

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*Office of the Secretary*

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Greg Baer, Mister Money, noted that the rule was good in scope without being burdensome to either pawnbrokers or customers, and that the rule covered situations arising for the industry.

Todd Rixmann, Pawn America, requested that the hours of operation be expanded from 7 p.m. to 8 p.m. as more reflective of a retail operation. The division subsequently modified the rule to reflect this.

Deputy Chief Eric Larsen, Eau Claire Police Department, expressed a concern whether the holding period identified in the rule would be incompatible with local ordinances, and expressed no opposition to hours of operation being expanded to 8 p.m. The division advised Deputy Chief Larsen that stricter municipal requirements would apply.

### 3. LIST OF PERSONS WHO APPEARED OR REGISTERED FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING

Tim Elverman, Broydrick & Associates, registered in favor.

Todd Phelps, Pawn America, registered in favor.

Brad Rixmann, Pawn America, spoke in favor.

Greg Baer, Mister Money, spoke in favor.

### 4. ANY CHANGES TO THE ANALYSIS PREPARED UNDER S. 227.14(2), STATS., OR THE FISCAL ESTIMATE PREPARED UNDER S. 227.14(4), STATS.

The comparison to rules in adjacent states has been expanded to detail the rules in Illinois.

### 5. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

All recommendations were accepted except the suggestion that in ss. DFI—Bkg 77.06 or 77.09 (intro.) “may not” should replace “shall not” because the division has determined that the requirements therein are mandatory.

### 6. FINAL REGULATORY FLEXIBILITY ANALYSIS

Pursuant to s. 227.19(3m), a final regulatory flexibility analysis is not required.

The following documentation accompanies this notice in triplicate: proposed rule with analysis, reference regarding form, fiscal estimate and recommendations of legislative council staff.

If you have any questions regarding this matter, please do not hesitate to contact me at tel. (608) 267-1705.

Sincerely,

Mark Schlei  
Deputy General Counsel

encls

**c: Legislative Council (via hand-delivery and e-mail, w/encls)**