

CHAPTER 14
PAWNBROKERS

14-101 DEFINITION

A “pawnbroker” shall mean any person, firm or corporation who engages in the business of lending money on the deposit or pledge of personal property, excluding banks or purchases of personal property with an expressed or implied agreement or understanding to sell it back at a stipulated price.

14-102 LICENSE REQUIRED; FEE; TERM OF LICENSE

It shall be unlawful for any person, firm or corporation to engage in the business of pawnbroker without first obtaining a license from the City Finance Office. The annual fee for a pawnbroker’s license shall be one hundred dollars (\$100.00). License issued under this chapter shall be the calendar year and the license fee shall be for the calendar year or any portion thereof.

14-103 FIXED PREMISES

A pawnbroker must have a fixed premises, which premises must be reflected on the license issued pursuant to this Chapter.

14-104 BOND

Each pawnbroker doing business in the City shall furnish a good and sufficient bond in a form and with a surety approved by the City Council, in the sum of one thousand dollars (\$1,000.00), conditioned for the faithful observance of this Chapter and conditioned for the safe keeping or return of all articles held in pledge of such pawnbroker.

14-105 SUSPENSION OR REVOCATION OF LICENSE

Any violation of the terms and requirements of this Chapter may result in a suspension or revocation of the license. Prior to any suspension or revocation of a license issued under this Chapter, the licensee shall be afforded a public hearing with at least ten (10) days advance notice of such hearing. At the conclusion of such hearing, if the City Council determines that a violation of these ordinances has occurred, it is its sole discretion the Council may either revoke the license or may suspend the license for such period of time as it deems appropriate.

14-106 RECORDS REQUIRED

Every pawnbroker shall keep books or records of pawn tickets in a manner satisfactory to the City Council or the Chief of Police. The records shall be prepared contemporaneously with the purchasing or receiving of any personal property and after requiring and observing property, at a minimum such records shall contain the following information:

- a) The name of the person from whom the property is purchased or received, his place of residence including his mailing address, and his date of birth; and
- b) A specific description of the personal property including, if available, the manufacturer’s name, style, model number, serial number, engraved initials or other identifying marks; and
- c) The date and time of transaction; and
- d) The amount necessary for redemption; and

- e) The date when the article is to be redeemed; and
- f) Any mortgage, bill of sale, receipt or other hypothecation of the transaction.

14-106.1 Every pawnbroker shall also record the date of sale, disposition or redemption of the property or portion thereof subject of the transaction. The foregoing disposition report shall be located in the same place as the records where the receiving records of said article are located.

14-106.2 The records required by this section shall be maintained for one (1) year after the date of purchase or receipt and shall be made available for inspection to the City Council or City Police Officers during reasonable business hours.

14-106.3 The records required to be kept pursuant to 14-106, 14-106.1, 14-106.2 and 14-107, shall be maintained on all personal property present in the licensed premises where such item was pawned or purchased for resale.

14-107 **HOLDING PERIODS**

- a) Any person licensed as a pawnbroker who shall purchase any new or second hand goods from any individual or business not regularly engaged in trade, shall keep the same for inspection for a period of at least ten (10) days from the time the pawnbroker receives possession of the property.
- b) The foregoing notwithstanding, every article of personal property which is taken in pawn by a pawnbroker shall be held for a period of not less than forty (40) days.
- c) During the foregoing holding periods, said personal property shall not be sold, redeemed or otherwise disposed of except as otherwise provided herein.
- d) If prior to the expiration of the foregoing holding periods, the Chief of Police or his designatee is satisfied that such article of personal property is not stolen goods, may, in his sole discretion, waive the balance of the holding period; provided, however, should the Chief of Police or his designatee waive the balance of such holding period, such waiver must be made in writing.

14-108 **HOLD ORDER**

The Chief of Police or any authorized police officer may, by written order, require a pawnbroker to hold any specified article or articles deposited with or in custody of a pawnbroker for purposes of further investigation by the police department when the police department believes that said item or items may be stolen.

A hold order shall remain in effect for a period of thirty (30) days commencing the day on which the hold order was delivered to the pawnbroker. During the aforesaid thirty (30) day period, the pawnbroker shall make no sale or other disposition of the property subject to the hold order until the expiration of the hold order unless such order is withdrawn by the issuing officer.

14-109 **ACCEPTING ARTICLES FROM OTHER THAN LAWFUL OWNER**

A pawnbroker who accepts in pledge any article as security for a loan from a pledger who is not the owner thereof, or purchases from resale any property from any person other than the lawful owner, shall obtain no property interest in the same.

Ignorance of the fact that the property was lost or stolen shall not affect the question of title and if the pawnbroker shall sell such article to a third person, the pawnbroker shall nevertheless remain liable to the original owner.

14-110 UNLAWFUL TRANSACTIONS

It shall be unlawful for any pawnbrokers to accept any articles in pawn or purchase for resale any personal property from any person under eighteen (18) years of age. For purposes of this provision, the pawnbroker shall require proof of age.

14-111 INSPECTION OF PREMISES/RECORDS

During regular business hours, pawnbrokers shall permit personnel from the City Police Department to inspect the premises, examine all records pertaining to transactions, inspect all personal property held in pawn, consignment or for resale, and upon request shall afford the Police Department an opportunity to make copies records required pursuant to this Chapter. In addition, immediately upon request by personnel from the City Police Department, the pawnbroker shall provide the Police Department with the original signed pawn ticket. The pawnbroker shall retain the copy of the pawn ticket for its records.

14-112 EXPIRATION OF LICENSE AND RENEWAL

All licenses issued under this chapter shall expire on the 31st day of December during each calendar year. In the event that a licensee under this chapter desires to renew the license, he shall make application to the City Finance Office prior to December 1st of each calendar year, requesting renewal. The City Council at it's regular meeting or at such other time as the City Council may schedule, may consider the application for renewal and determine the appropriateness of such renewal. In the event that the City Council grants the renewal request, a new license shall be issued for the next ensuing year upon receipt of the \$100.00 annual fee.

14-113 AGE RESTRICTION

No person under the age of 18 may, in behalf of the pawnbroker, accept property in pawn or purchase used personal property for resale. All pawn tickets must be signed by a person who has attained the age of 18 years.

14-201 DEFINITION

A "Consignment Broker" shall mean any person, firm or corporation who is in the ordinary course of business engages in the business of accepting personal property pursuant to any agreement where said consignment broker shall hold the personal property for resale to the public. Specifically excluded from the foregoing definition shall be livestock auctions, implement dealerships, grain elevators and home or neighborhood rummage sales.

14-202 LICENSE REQUIRED; FEE; TERM OF LICENSE

It shall be unlawful for any person, firm or corporation to engage in the business of consignment broker without first obtaining a license from the City Finance Office. The annual fee for a consignment broker's license shall be one hundred dollars (\$100.00). License issued under this chapter shall be the calendar year and the license fee shall be for the calendar year or any portion thereof.

- 14-203** **FIXED PREMISES**
A consignment broker must have a fixed premises which premises must be reflected on the license issued pursuant to this chapter.
- 14-204** **SUSPENSION OR REVOCATION OF LICENSE**
Any violation of the terms and requirements of this chapter may result in a suspension or revocation of the license. Prior to any suspension or revocation of a license issued under this chapter, the licensee shall be afforded a public hearing with at least ten (10) days advance notice of such hearing. At the conclusion of such hearing, if the City Council determines that a violation of these ordinances has occurred, in its sole discretion the Council may either revoke the license or may suspend the license for such period of time as it deems appropriate.
- 14-205** **RECORDS REQUIRED**
Every consignment broker shall keep books or records of pawn tickets in a matter satisfactory to the City Council or the Chief of Police. The records shall be prepared contemporaneously with the purchasing or receiving of any personal property and after requiring and observing property, at a minimum, such records shall contain the following information:
- a) The name of the person from whom the property is purchased or received, his place of residence, including his mailing address and his date of birth; and
 - b) A specific description of the personal property including, if available, the manufacturer's name, style, model number, serial number, engraved initials or other identifying marks; and
 - c) The date and time of transaction; and
 - d) The resale price for such consigned item; and
 - e) Consignment agreement.
- 14-205.1** Every consignment broker shall also record the date of sale or other disposition of the personal property.
- 14-205.2** The records required by this section shall be maintained for one (1) year after the date of purchase or receipt and shall be made available for inspection to the City Council or City Police Officers during reasonable business hours.
- 14-206** **HOLD ORDER**
The Chief of Police or any authorized police officer may, by written order, require a consignment broker to hold any specified article or articles deposited with or in custody of a consignment broker for purposes of further investigation by the police department when the police department believes that said item or items may be stolen. A hold order shall remain in effect for a period of thirty (30) days commencing the day on which the hold order was delivered to the consignment broker. During the aforesaid thirty (30) day period, the consignment broker shall make no sale or other disposition of the property subject to the hold order until the expiration of the hold order, unless such order is withdrawn by the issuing officer.

14-207 UNLAWFUL TRANSACTION

It shall be unlawful for any consignment brokers to accept any articles in pawn or purchase for resale, any personal property from any person under eighteen (18) years of age. For purposes of this provision, the consignment broker shall require proof of age.

14-208 INSPECTION OF PREMISES/RECORDS

During regular business hours, consignment brokers shall permit personnel from the City Police Department to inspect the premises, examine all records pertaining to transactions inspect all personal property held in pawn, consignment or for resale, and upon request shall afford the Police Department an opportunity to make copies of all records required, pursuant to this chapter. In addition, immediately upon request by personnel from the City Police Department, the consignment broker shall provide the Police Department with the original signed pawn ticket. The consignment broker shall retain the copy of the pawn ticket for its records.

14-209 EXPIRATION OF LICENSE AND RENEWAL

All licenses issued under this chapter shall expire on the 31st day of December during each calendar year. In the event that a licensee, under this chapter, desires to renew the license, he shall make application to the City Finance Office prior to December 1st of each calendar year requesting renewal. The City Council at its regular meeting or at such other time as the City Council may schedule, may consider the application for renewal and determine the appropriateness of such renewal. In the event that the City Council grants the renewal request, a new license shall be issued for the next ensuing year upon receipt of the one hundred dollar (\$100.00) annual fee.

14-210 CASH ADVANCES

Consignment brokers, their employees and agents are prohibited from making cash advances, loans and are otherwise prohibited from tendering cash to an individual who consigns goods to the consignment broker; the foregoing notwithstanding, the consignment broker, its agent and employees, may make cash advances to the consignee provided that the consignment broker obtain all of the information required by Chapter 14 of the City of Philip Ordinances pertaining to pawnbrokers and shall further afford the City Police Department access to such records as required by City Ordinance pertaining to pawn transactions.