



MEMORANDUM

TO: Phil Kern

FROM: Carie Fuhrman / Alan Brixius

DATE: April 7, 2010

RE: Delano – Pawn Shop Ordinance

NAC FILE: 432.08 – 09.04

BACKGROUND

Delano's Zoning Ordinance currently does not distinguish pawn shops from other commercial uses, rather this use would fall within the City's general commercial definition (i.e., retail business or on-site service business). Under the current definitions, pawn shops may be permitted within each of the commercial zoning districts, provided that it can secure a pawn shop business license per Section 419.01 of the City Code.

To allow the City to investigate possible regulations for pawn shops, the City enacted a moratorium, which is now nearing its conclusion. Staff recently brought forward the issue of Pawn Shop regulations to the Planning Commission. After discussion at the March Planning Commission meeting, it was decided that pawn shops would be allowed as a permitted use in the B-2, General Business District. This was decided for a variety of reasons, including the fact that the B-2 District has higher architectural standards for buildings and because this district is more highway-oriented in its location and is better suited for pawn shop business than the other commercial districts.

Staff is now presenting revised Zoning Ordinance language in order to allow pawn shops in the B-2 District and revised business licensing regulations for pawn shops. These amendments would affect Chapter 51 (Zoning and Land Use Code) and Chapter 4 (Public Protection and General Licensing) of the City Code.

ISSUE ANALYSIS

The following amendments to Chapter 51 (Exhibit A - Zoning and Land Use Code) are being recommended:

- 1) Section 51.01 (Title/ Application/ Rules/ Definitions):
 - Add a definition of “pawnbroker” and “pawn shop” under the commercial use definition (Subd. B. 2)
 - Add “pawn shops” as exceptions to retail business and on-site service business definitions under commercial use definition (Subd. B.2)

- 2) Section 51.03 (General Provisions):
 - Add architectural design construction standards to all commercial buildings under Commercial Design Construction Standards (Subd. C. 3d, 2f and g):
 - Interior and exterior bars, grills, mesh or similar obstructions, whether temporary or permanently affixed, shall not cover any exterior door or window area

- 3) Section 51.21 (B-2, General Business District):
 - Add “pawn shops” as a permitted use in the B-2 District (Subd. B8)
 - Add architectural design construction standards to all commercial buildings under Exterior Building Elevations in the B-2 District (Subd. H3d and e):
 - Interior and exterior bars, grills, mesh or similar obstructions, whether temporary or permanently affixed, shall not cover any exterior door or window area

The following amendments to Chapter 4 (Exhibit B - Public Protection and General Licensing) are being recommended also:

- 1) Section 419.01 (Pawnbrokers):
 - Add a definition of “reportable transaction” to the Definitions section (Subd. 2G)
 - Extend the pawn redemption period from 60 to 90 days (Subd. 14B.1 and Subd. 14R. 1)
 - Change the reporting requirement from weekly to daily (Subd. 14D and E)
 - Require digital photographs (or still video) for each pawn shop transaction (Subd. 14S)
 - Require labeling of all reportable items for ease of tracking (Subd. 14W)
 - License revocation if the business is inactive for 60 days or more (Subd. 16B)

RECOMMENDATION

The attached Ordinances are offered for further review and amendment. Staff recommends approval of the attached Ordinance amendments.

c: Marlene Kittock
Wendy Biel
Scott Dornfeld
Mark Johnson

Attachments:

Exhibit A: Ordinance 2010-___ Allow Pawn Shops in the B-2 District and Add Regulations to Zoning Ordinance
Exhibit B: Ordinance 2010-___ Pawn Shop Business License Requirements
Exhibit C: Delano Pawn Shop Regulations with Changes Highlighted

**CITY OF DELANO
COUNTY OF WRIGHT
STATE OF MINNESOTA**

ORDINANCE NO. 2010-____

**AN ORDINANCE AMENDING SECTION 51.01 (TITLE/
APPLICATION/RULES/DEFINITION) AND SECTION 51.21
(GENERAL BUSINESS DISTRICT) OF CHAPTER 51 (ZONING
AND LAND USE CODE) OF THE DELANO CITY CODE
TO DEFINE PAWN SHOPS AND TO ALLOW PAWN SHOPS
AS A PERMITTED USE IN THE B-2, GENERAL BUSINESS DISTRICT.**

THE CITY COUNCIL OF THE CITY OF DELANO, MINNESOTA ORDAINS:

SECTION 1. Part 2 (Definitions) of Subdivision B (Rules and Definitions) of Section 51.01 (TITLE / APPLICATION / RULES / DEFINITIONS) of Chapter 51 (Zoning and Land Use Code) is hereby amended to read as follows:

Commercial Use. The principal use of land or buildings for the sale, lease, rental or trade of products, goods and services, including, but not limited to:

10. Office Business-General. An establishment located within a building or portion of a building for the conduct of business activities involving predominantly professional administrative or clerical service operations including attorneys, financial advisors, insurance, travel, real estate, and other uses of similar character.
11. Pawnbroker.

(a) Except as provided in paragraph (b), “pawnbroker” means a person engaged in whole or in part in the business of lending money on the security of pledged goods left in pawn, or in the business of purchasing tangible personal property to be left in pawn on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

(b) The following are exempt from the definition of “pawnbroker:” any bank regulated by the State of Minnesota, the comptroller of the currency of the United States, the Federal Deposit Insurance Corporation, the board of governors of the Federal Reserve System, or any other federal or state authority and their affiliates; any bank or savings association whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation or any successor to it and all affiliates of those banks and savings associations; any state or federally chartered credit union; and any industrial loan and thrift company or regulated lender subject to licensing and regulation by the Department of Commerce.

EXHIBIT A

- ~~12.~~ Pawn Shop. The location at which or premises upon which a pawnbroker regularly conducts business.
- ~~113.~~ Personal Service. Personal services shall include the following: barber shops, beauty salon, electrolysis, manicurist, tanning parlor, physical therapy, therapeutic massage, and tattooing.
- ~~1214.~~ Recreational Business. Arcade, health club, gymnasium, bowling alley, billiard (pool) hall, dance hall, dance studio, skating rinks, theaters, and indoor firearms range. Activities are contained within a building.
- ~~1315.~~ Restaurant. An establishment that serves food in individual servings for consumption on or off premises, including sit-down restaurants, take out, pick up, or delivery food sales, but not including drive-through facilities. Outdoor dining areas and drive-through facilities may or may not be allowed in each zoning district: they are not automatically allowed when a restaurant is an allowable use.
- ~~1416.~~ Retail Business. An establishment engaged in the display and sale of products produced off-site directly to consumers within a building or portion of a building excluding any exterior display and sales. (Exception – sexually oriented uses and pawn shops).
- ~~1517.~~ Service Business, Off-Site. A company that provides useful labor, maintenance, repair and activities incidental to business production or distribution where the service is provided at the customer’s location, including delivery services, catering services, plumbing and sewer services, and other uses of similar character.
- ~~1618.~~ Service Business, On-Site. An establishment that provides useful labor, maintenance, repair and activities incidental to business production or distribution where the customer patronizes the location of the operation, such as banks (not including drive-through facilities), copy centers, laundromats, dry cleaners, funeral homes and mortuaries, appliance repair, tailor shops, and travel bureaus. (Exception – pawn shops).

SECTION 2. Subdivision C (General Building and Use Provisions) of Section 51.03 (General Provisions) of Chapter 51 (Zoning and Land Use Code) is hereby amended to read as follows:

d. Commercial Design Construction Standards.

2) Exterior Building Elevations.

f) Interior and exterior bars, grills, mesh or similar obstructions, whether temporary or permanently affixed, shall not cover any exterior door or window area.

g) Neon accents and back-lighted awnings shall be prohibited.

SECTION 3. Subdivision B (Permitted Uses) of Section 51.21 (B-2, General Business District) of Chapter 51 (Zoning and Land Use Code) is hereby amended to read as follows:

Subd. B. Permitted Uses. The following are permitted uses in the B-2 District:

7. Office businesses – general.
8. Pawn Shops – provided the necessary business license is obtained, as regulated by Section 419.01 of the City Code.
- ~~8~~9. Personal services.
- ~~9~~10. Recreational businesses - indoor.
- ~~10~~11. Restaurants.
- ~~11~~12. Retail businesses.
- ~~12~~13. Service businesses – off site.
- ~~13~~14. Service businesses – on site.
- ~~14~~15. Sexually oriented use – principal and accessory, as regulated by Section 51.03, Subd. L of this Ordinance.
- ~~15~~16. Specialty schools such as music, dance, gymnastics, or business/trade schools.
- ~~16~~17. Theaters.

SECTION 4. Subdivision H (Building Requirements) of Section 51.21 (B-2, General Business District) of Chapter 51 (Zoning and Land Use Code) is hereby amended to read as follows:

Subd. H. Building Requirements.

3. Exterior Building Elevations.
 - d. Interior and exterior bars, grills, mesh or similar obstructions, whether temporary or permanently affixed, shall not cover any exterior door or window area.
 - e. Neon accents and back-lighted awnings shall be prohibited.

THIS AMENDMENT SHALL BE IN FULL FORCE AND EFFECTIVE IMMEDIATELY FOLLOWING ITS PASSAGE AND PUBLICATION.

Approved by the Delano City Council this ___ day of April 2010.

Joe McDonald, Mayor

Marlene E. Kittock, City Clerk

EXHIBIT A

**CITY OF DELANO
COUNTY OF WRIGHT
STATE OF MINNESOTA**

ORDINANCE NO. 2010-____

**AN ORDINANCE AMENDING SECTION 419.01 (PAWNBROKERS) OF
CHAPTER 4 (PUBLIC PROTECTION AND GENERAL LICENSING)
OF THE DELANO CITY CODE TO FORMULATE ADDITIONAL
ORDINANCE LANGUAGE FOR REGULATING PAWN SHOPS IN
THE CITY OF DELANO.**

THE CITY COUNCIL OF THE CITY OF DELANO, MINNESOTA ORDAINS:

SECTION 1. Subd. 2 (Definitions) of Section 419.01 (Pawnbrokers) of Chapter 4 (Public Protection and General Licensing) is hereby amended to read as follows:

Subd. 2. Definitions. The following words and terms when used in this Section shall have the following meanings unless the context clearly indicates otherwise:

- G. Reportable transaction. Every transaction conducted by a pawnbroker in which merchandise is received through a pawn, purchase, consignment or trade, or in which a pawn is renewed, extended or redeemed, or for which a unique transaction number or identifier is generated by their point-of-sale software, is reportable, except: (1) The bulk purchase or consignment of new or used merchandise from a merchant, manufacturer or wholesaler having an established permanent place of business, and the retail sale of said merchandise, provided the pawnbroker must maintain a record of such purchase or consignment which describes each item, and must mark each item in a manner which relates it to that transaction record; and (2) Retail and wholesale sales of merchandise originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

SECTION 2. Subdivision 14 (General License Restrictions) of Section 419.01 (Pawnbrokers) of Chapter 4 (Public Protection and General Licensing) is hereby amended to read as follows:

- B. Printed Record Keeping. The following shall be printed on all pawn tickets:
1. The statement that “any personal property pledged to a pawnbroker within this City is subject to sale or disposal when there has been no payment made on the account for a period of not fewer than ~~60~~90 days past the date of the pawn transaction, renewal, or extension; no further notice is necessary. There is no obligation for the pledgor to redeem pledged goods.”
- D. Items for Which ~~Weekly~~ Daily Reports to the Sheriff are Required. For the following items, whether sold or pawned, the pawnbroker shall complete forms

EXHIBIT B

approved by the Wright County Sheriff Department or issuing authority and send the forms ~~weekly~~daily to the Wright County Sheriff Department:

- E. ~~Weekly~~Daily Report Forms. The ~~weekly~~daily report forms submitted to the Wright County Sheriff Department, delivered by the pawn broker, shall contain the following information in a legible manner:

- R. Effect of Non-Redemption.
 - 1. A pledgor shall have no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within at least ~~60~~90 days of the date of the pawn, transaction, renewal, or extension shall automatically be forfeited to the pawnbroker, and qualified right, title, and interest in and to the goods shall automatically vest in the pawnbroker.

- S. Photograph Requirement for Pawnbrokers. A pawnbroker shall take either a digital photograph or a still video of each person selling or pawning any item of property. If a digital photograph is taken, it shall be at least 2 inches in length by 2 inches in width and shall be immediately developed and referenced with the information regarding the person and the item sold or pawned. The major portion of the photograph shall include a front facial pose. The pawnbroker shall notify the person of the photography requirement prior to taking his or her photograph. If a still video photograph is taken a video camera shall zoom in on the person pawning or selling the merchandise so as to include a close-up of the person's face. The video photograph shall be referenced by time and date so as to correspond to the merchandise sold or pawned by the person. The pawnbroker shall, by adequate signage, inform the person that he or she is being videotaped. The photographs and videotapes shall be kept by the pawnbroker for four months.

- W. Label Requirement. Licensee must attached a label to every item at the time it is pawned, purchased, or received in inventory from any reportable transaction. Permanently recorded on this label must be the number or name that identifies the transaction in the shop's records, the transaction date, the name of the item and the description or the model and serial number of the item as reported to the city's law enforcement agency, whichever is applicable, and the date the item is out of pawn or can be sold, if applicable. Labels shall not be re-used.

SECTION 3. Subdivision 16 (Suspension or Revocation of License) of Section 419.01 (Pawnbrokers) of Chapter 4 (Public Protection and General Licensing) is hereby amended to read as follows:

- B. The Council may suspend or revoke a license issued under this Section upon a finding that the use as allowed by the license shall not have been active for 60 days or more.

- BC. Exception in the case of a suspension pending a hearing or revocation, a revocation or suspension by the Council shall be preceded by written notice...

THIS AMENDMENT SHALL BE IN FULL FORCE AND EFFECTIVE IMMEDIATELY FOLLOWING ITS PASSAGE AND PUBLICATION.

Approved by the Delano City Council this ____ day of April 2010.

Joe McDonald, Mayor

Marlene E. Kittock, City Clerk

SECTION 419.01. PAWNBROKERS

Subd. 1. Purpose. The purpose of this Section is to prevent pawnbroking businesses from being used as facilities for the commission of crime and to assure that such businesses comply with basic consumer protection standards thereby protecting the public health, safety and general welfare of the citizens of the City. The City Council finds that consumer protection regulation is warranted in transactions involving pawnbrokers.

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Subd. 2. Definitions. The following words and terms when used in this Section shall have the following meanings unless the context clearly indicates otherwise:

A. Pawnbroker. (a) Except as provided in paragraph (b), “pawnbroker” means a person engaged in whole or in part in the business of lending money on the security of pledged goods left in pawn, or in the business of purchasing tangible personal property to be left in pawn on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

(b) The following are exempt from the definition of “pawnbroker:” any bank regulated by the State of Minnesota, the comptroller of the currency of the United States, the Federal Deposit Insurance Corporation, the board of governors of the Federal Reserve System, or any other federal or state authority and their affiliates; any bank or savings association whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation or any successor to it and all affiliates of those banks and savings associations; any state or federally chartered credit union; and any industrial loan and thrift company or regulated lender subject to licensing and regulation by the Department of Commerce.

B. Pawnshop. “Pawnshop” means the location at which or premises upon which a pawnbroker regularly conducts business.

C. Pawn transaction. “Pawn transaction” means any loan on the security of pledged goods or any purchase of pledged goods on the condition that the pledged goods are left with the pawnbroker and may be redeemed or repurchased by the seller for fixed price within a fixed period of time.

D. Person. “Person” means an individual, partnership, corporation, limited liability company, joint venture, trust, association, or any other legal entity, however organized.

E. Pledged goods. “Pledged goods” means tangible personal property other than those in action, securities, bank drafts, or printed evidence of indebtedness, that are purchased by, deposited with, or otherwise actually delivered into the possession of a pawnbroker in connection with a pawn transaction.

F. Minor. Any individual person under the age of 18 years.

G. Reportable transaction. Every transaction conducted by a pawnbroker in which merchandise is received through a pawn, purchase, consignment or trade, or in which a pawn is renewed, extended or redeemed, or for which a unique transaction number or identifier is generated by their point-of-sale software, is reportable, except: (1) The bulk purchase or consignment of new or used merchandise from a merchant, manufacturer or wholesaler having an established permanent place of business, and the retail sale of said merchandise, provided the pawnbroker must maintain a record of such purchase or consignment which describes each item, and must mark each item in a manner which relates it to that transaction record; and (2) Retail and wholesale sales of merchandise originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

Subd. 3. License Required. No person, firm or corporation shall conduct or operate the

business of pawnbroker or own or operate a pawnshop without having first obtained a license therefor as herein provided or in violation of any of the provisions herein contained. No pawnbroker license may be transferred to a different location or a different person. A separate license is required for each place of business. The City may issue more than one license to a person if that person complies with this Section for each license.

Subd. 4. Application for License. Every application for a license under this Section, whether for a natural person, partnership, corporation or other organization, shall be made on a form supplied by the City and shall contain all information as required on that form by law.
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Subd. 5. Application Execution. All applications for a license under this Section shall be signed and sworn to. Any license obtained by use of false or incomplete information shall result in the denial or revocation of a license.

Subd. 6. Application Verification. All applications shall be referred to the Sheriff Department for verification and investigation of the facts set forth in the application. The Sheriff Department shall make a written report and recommendation to the Council as to issuance or non-issuance of the license. The City may order and conduct such additional investigation as it deems necessary.

Subd. 7. Application Consideration. If an application is granted for a location where a building is under construction or not ready for occupancy, the license shall not be delivered to the licensee until a certificate of occupancy has been issued for the licensed premises.

Subd. 8. Fees.

A. Application Fee:

1. The application fee shall be set by resolution of the Council.
2. The application fee shall be paid in full before the application for a license shall be accepted.

B. Investigation Fee: An applicant for any license under this Section shall pay the City, at the time an original application is submitted, a nonrefundable fee at a rate set by Council resolution (or an established fee for investigation) for the following:

1. To cover the costs involved in verifying the license application and;
2. To cover the expense of any investigation needed to assure compliance with this Section.

C. License Fee:

1. The license fee shall be paid annually to be determined at the date of issuance of the annual license.
2. The annual license fee shall be set by Council resolution. The application fee shall be credited to the first annual license fee, if the application is approved.

Upon withdrawal, rejection, denial, suspension, or revocation of any application for a license only the annual license fee, or a proportionate amount thereof, shall be refunded in full, but not the investigation fee.

Subd. 9. Bond. A pawnbroker license will not be issued unless the applicant files with the Clerk a bond with corporate surety, cash, or a United States Government Bond in the amount of \$5,000.00. The bond must be conditioned on the licensee obeying the laws and ordinances 4-65 governing the licensed business and paying all fees, taxes, penalties and other charges associated with the business. The bond must provide that it is forfeited to the City upon violation of law or ordinance.

Subd. 10. Application Renewal. All licenses issued pursuant to this Section shall be effective for one year from the date of approval by the City. An application for the renewal of an

existing license shall be made prior to the expiration date of the license and shall be made in such form as the City requires. No expiration of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any pledgor.

Subd. 11. License Refund. The City may, in its judgment, refund a pro rata share of the license to the licensee or the licensee's estate if the licensee dies.

Subd. 12. Death of a Licensee. In the case of the death of a licensee, the personal representative of the licensee may continue operation of the business for not more than 90 days after the licensee's death.

Subd. 13. Conditions for Approval of License. To be eligible for or to maintain a pawnbroker license, a person must operate lawfully and fairly within the purposes of this Section:

A. No license under this Section shall be issued or renewed for an applicant who is a natural person if such applicant:

1. Is a minor at the time the application is filed;
2. Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes § 364.03, Subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a licensee under this Chapter as prescribed by Minnesota Statutes § 364.03, Subd. 3;
3. Holds an intoxicating liquor license under this Code;
4. Is not of good moral character or repute; or
5. Is not in compliance with any provision of this Section.

B. No license under this Section shall be issued or renewed for an applicant that is a partnership if such applicant has any general partner or managing partner who:

1. Is a minor at the time the application is filed;
2. Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes § 364.03, Subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker, as prescribed by Minnesota Statutes § 364.03, Subd. 3;
3. Holds an intoxicating liquor license under this Code;
4. Is not of good moral character or repute; or
5. Is not in compliance with any provision of this Section.

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C. No license under this Section shall be issued or renewed for an applicant that is a corporation or other organization if such applicant has any manager, proprietor, or agent in charge of the business to be licensed who:

1. Is a minor at the time the application is filed;
2. Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes § 364.03, Subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker, as prescribed by Minnesota Statutes § 364.03, Subd. 3;
3. Holds an intoxicating liquor license under this Code;
4. Is not of good moral character or repute; or
5. Is not in compliance with any provision of this Section.

D. Any change, directly or beneficially, in the ownership of any licensed pawnshop shall require the application for a new license and the new owner must satisfy all current eligibility requirements.

E. The following locations shall be ineligible for a license under this Section:

1. No license shall be granted or renewed for operation on any property on which taxes, assessments, or other financial claims of the State, County, School District, or City are due, delinquent or unpaid. In the event a suit has been commenced under Minnesota Statutes § 278.01-278.03, questioning the amount or validity of taxes, the City Council may on application waive strict compliance with this provision; no waiver may be granted, however, for taxes or any portion thereof which remain unpaid for a period exceeding one year after becoming due.
2. No license shall be granted or renewed if the property on which the business is to be conducted is owned by a person who is ineligible for a license under any of the requirements of this Code, except that a property owner who is a minor or who has been convicted of a crime, other than a crime involving theft or falsehood, shall not make the premises ineligible under this Sub-section so long as all other requirements for a license are met.
3. Where operation of a licensed premise would violate zoning ordinances or other applicable land use laws.
4. Where the applicant's present license was issued conditioned upon the applicant making specified improvements to the licensed premise or the property of the licensed premises which improvements have not been completed.
5. Any property within 10 driving miles of any gambling casino.

Subd. 14. General License Restrictions.

A. Recordkeeping. At the time of making the pawn or purchase transaction, the pawnbroker shall immediately record in English the following information by using ink or other 4-67

indelible medium or forms or in a permanent computer record approved by the City, the following information:

1. A complete and accurate description of the item of property including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such item.
2. The date and time of pawn or purchase transaction.
3. The full name, residence address, residence telephone number, business address, date of birth and reasonably accurate description (including approximate height, sex and race) of the pledgor or seller.
4. The identification number and state of issue from one of the following forms of identification of the seller or pledgor.
 - a. A current valid Minnesota driver's license;
 - b. A current valid Minnesota identification card; or
 - c. A current valid photo identification card issued by the state of residence or a province of Canada.
5. The amount advanced or paid.
6. The maturity date of the pawn transaction and the amount due; and
7. The monthly and annual interest rates, including all pawn fees and charges.

B. Printed Record Keeping. The following shall be printed on all pawn tickets:

1. The statement that "any personal property pledged to a pawnbroker within this City is subject to sale or disposal when there has been no payment made on the account for a period of not fewer than **60 90** days past the date of the pawn transaction, renewal, or extension; no further notice is necessary. There is no

obligation for the pledgor to redeem pledged goods.”

2. The statement that “the pledgor of this item attests that it is not stolen, it has no liens or encumbrances against it, and the pledgor has the right to sell or pawn the item.”

3. The statement that “this item is redeemable only by the pledgor to whom the receipt was issued, or any person identified in a written and notarized authorization to redeem the property identified in the receipt, or a person identified in writing by the pledgor at the time of the initial transaction and signed by the pledgor. Written authorization for release of property to persons other than the original pledgor must be maintained along with the original transaction record.”

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4. A blank line for the pledgor’s signature.

C. Inspection of Records. The pawnbroker shall make available the information required in Subpart A of this Section during business hours for inspection by the County Sheriff Department and/or issuing authority. If the pawnbroker provides the records in a computerized format, they must be provided in the most recent current version of the Minneapolis pawn system interchange file specification format. The information required in Subpart A of this Section shall be retained by the pawnbroker for at least three years. These records shall be a correct copy of its entries made of the pawn transactions.

D. Items for Which Weekly Daily Reports to the Sheriff are Required. For the following items, whether sold or pawned, the pawnbroker shall complete forms approved by the Wright County Sheriff Department or issuing authority and send the forms weekly daily to the Wright County Sheriff Department:

1. Any item with a serial number, identification number, or “Operation Identification” number;

2. Cameras;

3. Electronic audio, computer or video equipment;

4. Precious jewelry, gems and metals;

5. Artist-signed or artist-attributed works of art;

6. Firearms; and

7. Any item not included in 1-6 above, except furniture and kitchen or laundry appliances, which the pawnbroker intends to sell for more than \$200.00.

E. Weekly Daily Report Forms. The weekly daily report forms submitted to the Wright County Sheriff

Department, delivered by the pawn broker, shall contain the following information in a legible manner:

1. An accurate description of the item of property including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such item;

2. The price of the item paid by the pawnbroker, and whether the item was purchased or pawned;

3. The date, time, and place of receipt of the item;

4. The name, address, and date of birth of the person from whom the item was received; and

5. The identification number from one of the following forms of photo identification of the person from whom the item was received:

- a. a valid driver's license;
- b. a Minnesota identification card; or
- c. A photo identification issued by the state of residency or province of Canada of the person from whom the item was received, and current Minnesota address.

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F. County Sheriff Order to Hold Property. Whenever the Wright County Sheriff Department notifies the pawnbroker not to sell an item, the item shall not be sold or removed from the licensed premises until authorized to be released by the Wright County Sheriff Department.

G. Holding period for Pawnbrokers. Any item sold or pawned to a pawnbroker for which a report to the police is required under Subpart D of this Section shall not be sold or otherwise transferred for 60 days after the date of the sale or pawn. However, an individual may redeem an item pawned 72 hours after the item was received on deposit by the pawnbroker excluding Sundays and legal holidays.

H. Receipt. The pawnbroker shall provide a receipt to the seller or pledgor of any item of property received, sold or owned which shall include:

1. The name, address, and phone number of the pawnbroker business.
2. The date on which the item was received by the pawnbroker.
3. A description of the item received and amount paid to the pledgor or seller in exchange for the item pawned or sold.
4. The signature of the pawnbroker agent.
5. The last regular business day by which the item must be redeemed by the pledgor without risk that the item will be sold and the amount necessary to redeem the pawned item on that date.
6. The annual rate of interest charged on pawned items received.
7. The name and address of the seller or pledgor.

I. Hours of Operation. No pawnbroker shall keep the pawnbroker business open for the transaction of business on any day of the week before 7:00 a.m. or after 10:00 p.m.

J. Minors. The pawnbroker shall not purchase or receive personal property of any nature or deposit or pledge from any minor.

K. Inspection of Items. The pawnbroker shall, at all times during the term of the license, allow the City, county attorney, state attorney general, and any duly authorized state or federal law enforcement officer to enter the premises where the pawnbroker is located, for the purpose of inspecting such premises and inspecting the items, wares, merchandise and pawn books and records for the purpose of locating items suspected or alleged to have been stolen or otherwise improperly disposed.

L. License Display. A license issued under this Section must be posted in a conspicuous place in the premises for which it is used.

M. Maintenance of Order. A licensee under this Section shall be responsible for the conduct of the business being operated and shall maintain conditions of order.

N. Gambling. No licensee under this Section may operate or permit the operation on the licensed premises of any gambling activities including but not limited to dice, slot machines, roulette wheels, punch boards, blackjack tables, pinball machines which

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return coins or slugs, chips, or tokens of any kind, which are redeemable in merchandise or cash, or any other gambling. No gambling equipment referred to in Minnesota

Statutes § 349.11 through 349.40, may be operated and no raffles may be conducted on the licensed premises and/or adjoining rooms. The purchase of lottery tickets may take place on the licensed premises as authorized by the director of the lottery pursuant to Minnesota Statutes § 349A.01 through 349A.15.

O. Prohibited Goods. No licensee under this Section shall accept any item of property which contains an altered or obliterated serial number or “Operation Identification” number or any item of property whose serial number has been removed.

P. Proper Identification. A licensee under this Section shall not accept items of property unless the seller or pledgor provides to the pawnbroker one of the following forms of photo identification:

1. A valid driver’s license;
2. a Minnesota identification card; or
3. a photo identification issued by the state of residency or province of Canada of the person from whom the item was received, and current Minnesota address.

No other forms of identification shall be accepted.

Q. Redemption Period. The date by which an item of property that has been pawned must be redeemed by the pledgor without risk that the item will be sold must be a day on which the pawnbroker is open for regular business.

R. Effect of Non-Redemption.

1. A pledgor shall have no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within at least **60 90** days of the date of the pawn, transaction, renewal, or extension shall automatically be forfeited to the pawnbroker, and qualified right, title, and interest in and to the goods shall automatically vest in the pawnbroker.
2. The pawnbroker’s right, title, and interest in the pledged goods under paragraph (1) is qualified only by the pledgor’s right, while the pledged goods remain in possession of the pawnbroker and not sold to a third party, to redeem the goods by paying the loan plus fees and/or interest accrued up to the date of redemption.
3. A pawn transaction that involves holding only title to property is subject to Minnesota Chapter 168A or 336.

S. Photograph Requirement for Pawnbrokers. A pawnbroker shall take either a **digital** photograph or a still video of each person selling or pawning any item of property. **If a photograph is taken, it shall be at least 2 inches in length by 2 inches in width and shall be immediately developed and referenced with the information regarding the person and the item sold or pawned.** The major portion of the photograph shall include a front facial pose. The pawnbroker shall notify the person of the photography requirement prior to taking his or her photograph. If a still video photograph is taken a video camera shall zoom in on the person pawning or selling the merchandise so as to include a close-up of the person’s face. The video photograph shall be referenced by time and date so as to correspond to the merchandise sold or pawned by the person. The pawnbroker shall, by adequate signage, inform the person that he or she is being videotaped. The photographs and videotapes shall be kept by the pawnbroker for four months.

T. Payment by Check. When a pawnbroker accepts an item for purchase or as security for a loan, payment for any article deposited, left, pledged or pawned in excess of \$100.00, shall be made only by a check, draft or other negotiable instrument or order of withdrawal which is drawn against funds held by a financial institution. This policy must be posted in a conspicuous place on the premises.

U. Business Only at Licensed Location. A license under this Section authorizes the licensee to carry on its business only at a permanent place of business designated in the license. A municipality may issue more than one license to a person if that person complies with this Section for each license.

V. Restrictions on Weapons.

1. A pawnbroker may not receive as a pledge or otherwise, or accept for consignment or sale any revolver, pistol, rifle, shotgun or other similar firearms unless said dealer also maintains a federal firearms dealers license.

2. A pawnbroker may not receive as a pledge or otherwise, or accept for consignment or sale, any sawed off shotgun, automatic rifle, black jack, switchblade, or other similar illegal weapons or firearms.

W. Label Requirement. Licensee must attached a label to every item at the time it is pawned, purchased, or received in inventory from any reportable transaction. Permanently recorded on this label must be the number or name that identifies the transaction in the shop's records, the transaction date, the name of the item and the description or the model and serial number of the item as reported to the city's law enforcement agency, whichever is applicable, and the date the item is out of pawn or can be sold, if applicable. Labels shall not be re-used.

Subd. 15. Restrictions Regarding License Transfer. Each license under this Section shall be issued to the applicant only and shall not be transferable to any other person. No licensee shall loan, sell, give or assign a license to another person.

Subd. 16. Suspension or Revocation of License.

A. The Council may suspend or revoke a license issued under this Section upon a finding of a violation of:

1. Any of the provisions of this Section; or
2. Any state or federal law regulating pawnbrokers.

Any conviction of the pawnbroker for theft, receiving stolen property, or any other crime or violation involving stolen property shall result in the immediate suspension pending a hearing on revocation of any license issued hereunder.

B. The Council may suspend or revoke a license issued under this Section upon a finding that the use as allowed by the license shall not have been active for 60 days or more.

~~B.~~ C. Except in the case of a suspension pending a hearing or revocation, a revocation or suspension by the Council shall be preceded by written notice to the licensee and a public hearing. The written notice shall give at least 10 days' notice of the time and place of the hearing and shall state the nature of the charges against the pawnbroker. The Council may, without any notice, suspend any license pending a hearing on revocation for a period not exceeding 30 days. The notice may be served upon the pawnbroker by the United States mail addressed to the most recent address of the business in the license application.

Subd. 17. Permitted Charges.

1. Notwithstanding any other ordinance, a pawnbroker may contract for and receive a pawnshop charge not to exceed 3 percent per month of the principal amount advanced in the pawn transaction plus a reasonable fee for storage and services.

A fee for storage and services may not exceed \$20.00 dollars if the property is not in the possession of the pawnbroker.

2. The pawnshop charge allowed under paragraph (1) shall be deemed earned, due, and owing as of the date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the same day of the succeeding month. However, if

full payment is made more than 2 weeks before the next succeeding date, the pawnbroker shall remit one-half of the pawnshop charge for that month to the pledgor.

3. Interest shall not be deducted in advance, nor shall any loan be divided or split so as to yield greater interest or fees than would be permitted upon a single, consolidated loan or for otherwise evading any provisions of this Section.

4. Any interest, charge, or fees contracted for or received, directly or indirectly, in excess of the amount permitted under this Section, shall be uncollectible and the pawn transaction shall be void.

5. A schedule of charges permitted by this Section shall be posted on the pawnshop premises in a place clearly visible to the general public.

Subd. 18. Prohibited Acts.

A. No pawnbroker, or clerk, agent, or employee of a pawnbroker licensed under this Section shall:

1. Make any false entry in the records of pawn transaction;

2. Falsify, obliterate, destroy, or remove from the place of business the records, books, or accounts relating to the licensee's pawn transaction;

3. Refuse to allow the appropriate law enforcement agency, attorney general, or any other duly authorized state or federal law enforcement officer to inspect the pawn records or any pawn goods in the person's possession during the ordinary hours of business or other times acceptable to both parties;

4. Fail to maintain a record of each pawn transaction for three years;

5. Accept a pledge or purchase property from a person under the age of 18 years;

6. Make any agreement requiring the personal liability of a pledgor or seller, or waiving any provision of this Section, or providing for a maturity date less than one month after the date of the pawn transaction;

7. Fail to return pledged goods to a pledgor or seller, or provide compensation as set forth in Subd. 19, upon payment of the full amount due to the pawnbroker unless either the date of redemption is more than 60 days past the date of the pawn transaction, renewal, or extension and the pawnbroker has sold the pledged goods pursuant to Subd. 14®, or the pledged goods have been taken into custody by a court or a law enforcement office or agency.

8. Sell or lease, or agree to sell or lease pledged or purchased goods back to the pledgor or seller in the same, or a related transaction;

9. Sell or otherwise charge for insurance in connection with a pawn transaction; or

10. Remove pledged goods from the pawnshop premises or other storage place approved by a municipality at any time before unredeemed, pledged goods can legally be sold pursuant to Section Subd. 14(R).

B. No licensee may receive any goods, unless the seller presents identification in the form of a valid driver's license, a valid State of Minnesota identification card; or a photo identification issued by the State of residency or province of Canada of the person from whom the item was received, and current Minnesota address.

C. No licensee may receive any item of property that possess an altered or obliterated serial number or "operation identification" number or any item of property that has had its serial number removed.

Subd. 19. Redemption; Risk of Loss. Any person to whom the receipt for pledged goods

was issued, or any person identified in a written and notarized authorization to redeem the pledged goods identified in the receipt, or any person identified in writing by the pledgor at the time of the initial transaction and signed by the pledgor shall be entitled to redeem or re-purchase the pledged goods described on the ticket. In the event the goods are lost or damaged while in possession of the pawnbroker, the pawnbroker shall compensate the pledgor, in cash or replacement goods acceptable to the pledgor, for the fair market value of the lost or damaged goods. Proof of compensation shall be a defense to any prosecution or civil action.

Subd. 20. Motor Vehicle Title Pawn Transactions; Special Provisions.

A. In addition to the other requirements of the chapter, a pawnbroker who holds a title to a motor vehicle as part of the pawn transaction shall:

1. be licensed as a used motor vehicle dealer under Minnesota Statute § 168.27, and post such license on the pawnshop premises;
2. verify that there are no liens or encumbrances against the motor vehicle with the Department of Public Safety; and
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3. verify that the pledgor has automobile insurance on the motor vehicle as required by law.

B. A pawnbroker may not sell a motor vehicle covered by a pawn transaction until 90 days after recovery of the motor vehicle.

Subd. 21. Penalty. A violation of this Section shall be a misdemeanor under Minnesota law.