

# CHAPTER 9

## LICENSES AND BUSINESS REGULATIONS

### Article I      Pawnbrokers/Precious Metal Dealers/Secondhand Goods Dealers

**Sec. 9-01. Definitions.** The following words and terms, when used in this Chapter, shall have the following meanings unless the context clearly indicates otherwise:

- **Issuing Authority** - The City of Oakdale Administration Department.
- **Automated Pawn System (APS):** A computer database maintained by the Minneapolis Police Department that is accessible from remote location and designed to input and retrieve data on transactions involving secondhand goods or items.
- **Billable Transaction** – every reportable transaction except renewals, redemptions or extensions of existing pawns on items previously reported and continuously in the licensee’s possession.
- **Consignment** – an agreement between a dealer and a seller that enables the dealer to take temporary possession of secondhand property, owned by the seller, for the purpose of offering it for sale to the public.
- **Consignment House Dealer** – a dealer in secondhand goods acquired by a consignment agreement.
- **Flea Market** – any group of unrelated persons or businesses selling secondhand goods to the public from a single physical location.
- **Item containing precious metals** - an item made in whole or in part of metal and containing more than one (1) percent by weight of silver, gold, or platinum.
- **Pawn Transaction** – 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 a fixed price within a fixed period of time.
- **Pawnbroker** - a person who loans money on deposit or pledge of personal property or other valuable thing; who deals in the purchasing or personal property or other valuable thing on condition of selling that same back at a stipulated price; or who loans money secured by chattel mortgage or on personal property, taking possession of the property or any part thereof so mortgaged. To the extent that a pawnbroker business includes buying personal property previously used, rented, or leased, the provisions of this Chapter shall be applicable. Any bank, savings and loan association, or credit union shall not be deemed a pawnbroker for purposes of this Chapter.
- **Pawnshop** - any business establishment operated by a pawnbroker.
- **Person** - one or more natural persons; a partnership, including a limited partnership; a corporation, including a foreign, domestic, or nonprofit corporation; a trust; a political subdivision of the state; or any other business organization.
- **Pledger** – any person who delivers pledged goods to a pawnbroker, precious metal dealer or secondhand goods dealer as a security in which a binding promise is made to take back possession of those same pledged goods at a later time and for a stipulated price.
- **Pledged Goods** – 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.
- **Precious Metal Dealer** - any person engaging in the business of buying coins or second-hand items containing precious metals, including, but not limited to, jewelry, watches, eating utensils, candlesticks, and religious and decorative objects.
- **Precious Metals** - silver, gold, or platinum.
- **Reportable Transaction** – transactions by a pawnbroker, precious metal dealer or secondhand goods dealer 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, or an item is confiscated by law enforcement, except:

- (a) The bulk purchase or consignment of new or used merchandise from a merchant, manufacturer, non-profit or wholesaler having an established permanent place of business, and the retail sale of said merchandise, provided the pawnbroker, secondhand goods or precious metal dealer, must maintain a record of such purchase.
  - (b) Retail and wholesale sales of merchandise originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.
  - (c) Trades of secondhand goods for items of greater value.
  - (d) Transactions between precious metal dealers if both dealers are licensed under Minnesota Statute 325F.733 or if the seller's business is located outside of the state and the item is shipped from outside the state to a dealer licensed under Minnesota Statute 325F.733.
  - (e) Transactions involving secondhand clothing, books and linens where no single item has a value greater than \$50.00, except that dealers of secondhand bedding must comply with Minnesota Statute 325F.25 – 325F.34.
  - (f) Consignment by the artists themselves of works of art or craft.
- **Secondhand Goods Dealer** – any person, partnership, firm or corporation whose business includes selling or receiving secondhand goods, including but not limited to consignment house dealers, flea market dealers and antique dealers, but not including used car dealers.
  - **Secondhand Goods** – any tangible personal property, previously owned, used, rented or leased by a person other than the dealer offering it for sale.

**Sec. 9-02. Purpose.** The City Council finds that pawnbrokers, precious metal dealers and secondhand goods dealers potentially provide an opportunity for the commission of crimes and their concealment because such businesses have the ability to receive and transfer stolen property easily and quickly. The City Council also finds that consumer protection regulation is warranted in transactions involving pawnbrokers, precious metal dealers, and secondhand goods dealers. The purpose of this Chapter is therefore to prevent pawnbrokers, precious metal dealers and secondhand goods dealers from being used as facilities for commission of crimes 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.

To help the police department better regulate current and future pawn, precious metal dealers and secondhand goods dealer businesses, decrease and stabilize costs associated with the regulation of these industries, and increase identification of criminal activities in the industry through the timely collection and sharing of transaction information, this chapter also implements and establishes the required use of the automated pawn system (APS).

**Sec. 9-03a. License Required.** No person shall exercise, carry-on, or be engaged in the trade or business of pawnbroker, precious metal dealer, or secondhand goods dealer within the city unless such person is currently licensed under this Chapter. No pawnbroker, precious metal dealer, or secondhand goods dealer license may be transferred to a different location or a different person.

**Sec. 9-03b. Exceptions to License Requirement.**

- (1) All pawnbrokers must be licensed and there are no exceptions to the licensing requirements for pawnbrokers.
- (2) The following transactions shall not require a precious metal dealer's license:
  - (a) Transactions at occasional "garage" or "yard" sales, or estate sales, or farm auctions held at the decedent's residence, except that precious metals dealers must comply with the requirements of Minnesota Statutes, Sections 325F.734 to 325F.742, for these transactions.
  - (b) Transactions regulated by Minnesota Statute, Section 80A.
  - (c) Transactions regulated by the Federal Commodity Futures Commission Act.

- (d) Transactions involving the purchase of precious metals grindings, filings, slag, sweeps, scraps, or dust from an industrial manufacturer, dental lab, dentist, or agent thereof.
  - (e) Transactions involving the purchase of photographic film, such as lithographic and x-ray film, or silver residue or flake recovered in lithographic and x-ray film processing.
  - (f) Transactions involving coin, bullion, or ingots.
  - (g) Transactions in which the second-hand item containing precious metals is exchanged for a new item containing precious metals and the value of the new item exceeds the value of the second-hand item, except that a person who is a precious metals dealer by engaging in a transaction which is not exempted by this section must comply with the requirements of Minnesota Statutes, Sections 325F.734-325F.742.
  - (h) Transactions between precious metal dealers if both dealers are licensed under Minnesota Statutes, Section 325F.733, or if the seller's business is located outside of the state and the item is shipped from outside the state to a dealer licensed under Minnesota Statutes, Section 325F.733.
  - (i) Transactions in which the buyer of the second-hand item containing precious metals is engaged primarily in the business of buying and selling antiques, and the items are resold in an unaltered condition except for repair, and the items are resold at retail, and the buyer paid less than \$2,500 for the second-hand items containing precious metals purchased within any period of twelve (12) consecutive months.
- (3) All secondhand goods dealers must be licensed, except the following transactions shall not require a secondhand goods dealer license:
- (a) The sale of secondhand goods where all of the following are present:
    - (i) The sale is held on property occupied as a residential dwelling by the seller or owned, rented or leased by a charitable or political organization.
    - (ii) The items offered for sale are owned by the occupant.
    - (iii) That no sale exceeds a period of 72 consecutive hours.
    - (iv) That no more than two sales are held in any 12 consecutive month period at any residential dwelling.
    - (v) That none of the items offered for sale have been purchased for resale or received on consignment for purpose of resale.
  - (b) The sale of secondhand books or magazines where no single book has a value of greater than \$50.00.
  - (c) The sale of goods at an auction held by a licensed auctioneer.
  - (d) Sales by charitable organizations that take secondhand goods for no compensation.
  - (e) The sale of used motor vehicles.
  - (f) A bulk sale of property from a merchant, manufacturer or wholesaler having an established place of business or of goods sold at open sale from bankrupt stock.

**Sec. 9-04. Application Content.** In addition to any information that may be required by the County pursuant to Minnesota Statutes, Section 471.924, every application for a license under this Chapter shall be made on a form supplied by the issuing authority and shall contain the following information:

- (1) If the applicant is a natural person:
  - (a) The name, place and date of birth, residential street address, and telephone number of the applicant.
  - (b) Whether the applicant is a citizen of the United States or a resident alien.
  - (c) Whether the applicant has ever used or been known by another name other than the applicant's name, and if so, the name or names used and information concerning the dates and places when used.

- (d) The name of the business if it is to be conducted under a designation, name, or style other than the name of the applicant and a certified copy of the certificate as required by Minnesota Statutes, Section 333.01.
- (e) The street addresses at which the applicant has lived during the preceding five (5) years.
- (f) The type, name, and location of every business or occupation in which the applicant has been engaged during the preceding five (5) years and the name(s) and address(es) of the applicant's employer(s) and partner(s), if any, for the preceding five (5) years.
- (g) Whether the applicant has ever been convicted of a felony, crime, or violation of any ordinance other than a traffic ordinance. If so, the applicant shall furnish information as to the time, place, and offense for which convictions were had.
- (h) The physical description of the applicant.
- (i) If the applicant is married:
  - (i) The name, place and date of birth, and street address of the applicant's current spouse.
  - (ii) The type, name and location of every business or occupation in which the applicant's current spouse has been engaged during the preceding five (5) years.
  - (iii) The names and addresses of the employers or partners of the applicant's current spouse for the preceding five (5) years.
  - (iv) Whether the applicant's current spouse has ever been convicted of any felony, crime, or violation of any ordinance other than a traffic ordinance. If so, the applicant shall furnish information as to the time, place, and offense for which convictions were had.

(2) If the applicant is a partnership:

- (a) The name(s) and address(es) of all general and limited partners and all information concerning each partner required in subpart (1) of this section.
- (b) The name(s) of the managing partner(s) and the interest of each partner in the pawnbroker or precious metals dealer business.
- (c) A true copy of the partnership agreement shall be submitted with the application. If the partnership is required to file a certificate as to a trade name pursuant to Minnesota Statutes, Section 333.01, a certified copy of such certificate shall be attached to the application.

(3) If the applicant is a corporation or other organization:

- (a) The name of the corporation or business form, and if incorporated, the state of the incorporation.
- (b) A true copy of the Certificate of Incorporation, Articles of Incorporation or Association Agreement, and By-laws shall be attached to the application. If the application is a foreign corporation, a Certificate of Authority as required by Minnesota Statutes, Section 303.06, shall be attached.
- (c) The name of the manager(s), proprietor(s), or other agent(s) in charge of the business and all information concerning each manager, proprietor, or agent required in subpart (1) of this section.
- (d) A list of all persons who control or own an interest in excess of five (5) percent in such organization or business form or who are officers of the corporation or business form and all information concerning said persons required in subpart (1) of this section.

(4) For all applicants:

- (a) Whether the applicant holds a current pawnbroker, precious metal dealer, or second-hand goods dealer license from any other governmental unit and whether the applicant is licensed under either Minnesota Statutes, Section 471.924 or Minnesota Statutes 325F.731-325F.744.

- (b) Whether the applicant has previously been denied a pawnbroker, precious metal dealer, or second-hand goods dealer license from any other governmental unit.
- (c) The names, residential street addresses, and business addresses of three residents of the seven-county metropolitan area, who are of good moral character and who are not related to the applicant or not holding any ownership in the premises or business, who may be referred to as to the applicant's and/or manager's character.
- (d) The location of the business premises.
- (e) The legal description of the premises to be licensed.
- (f) Whether all real estate and personal property taxes that are due and payable to the premises to be licensed have been paid, and if not paid, the years and amounts that are unpaid.
- (g) Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application shall be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed. If the plans or designs are on file with the Oakdale Building Inspection Department, no plans need to be submitted with the issuing authority.
- (h) Such other information as the City Council or issuing authority may require.

**Sec. 9-05. Application Execution.** All applications for a license under this Chapter shall be signed and sworn to. If the application is that of a natural person, it shall be signed and sworn to by such person; if that of a corporation, by an officer thereof; and if that of a partnership, by one of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof. Any falsification on a license application shall result in the denial of a license.

**Sec. 9-06. Application Verification.** All applications shall be referred to the issuing authority for verification and investigation of the facts set forth in the application. The issuing authority shall make a written report and recommendation to the City Council as to the issuance or non-issuance of the license. The City Council may order and conduct such additional investigation, as it deems necessary.

**Sec. 9-07. Application Consideration.**

- (1) The City Council shall conduct a hearing on the license application within a reasonable period following receipt of the issuing authority's report and recommendation regarding the application. At least ten (10) days in advance of the City Council hearing on an application, the issuing authority shall cause notice of the hearing to be published in the official newspaper of the city, setting forth the day, time, and place of the hearing; the name of the applicant; the premises where the business is to be conducted; and the type of license which is sought. At the hearing, opportunity shall be given to any person to be heard for or against the granting of the license. Additional hearings on the application may be held if the City Council deems additional hearings necessary. After the hearing or hearings on the application, the City Council may, in its discretion, grant or deny the application.
- (2) 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.

**Sec. 9-08. Renewal Application.**

- (1) All licenses issued under this Chapter shall be effective for one (1) year from the date of approval by the City Council. 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 issuing authority requires. If, in the judgment of the City Council, good and sufficient cause is shown by an applicant for the applicant's failure to submit a renewal application before the expiration of the existing license, the City Council may, if the other provisions of this Chapter are complied with, grant the renewal application.
- (2) A license under this Chapter will not be granted:

- (a) If the City Council determines that the licensee has failed to comply with the provisions of this Chapter in preceding license years.
- (b) If the licensee, or if the licensee does not manage the establishment, the manager of the licensed premises is not a resident of the seven-county metropolitan area on the date that the renewal takes effect.
- (c) If in the case of a partnership, the managing partner or other person who manages the establishment is not a resident of the seven-county metropolitan area on the date the renewal takes effect.
- (d) If in the case of a corporation, or other organization, the manager, a proprietor, or agent in charge of the establishment is not a resident of the seven-county metropolitan area on the date the renewal takes place.
- (e) The time for establishing residence in the seven-county metropolitan area may, for good cause, be extended by the City Council.

**Sec. 9-09. Fees.**

(1) Application Fee

- (a) The license application fee shall be determined by the City Council.
- (b) The license application fee shall be paid in full before the application for a license shall be accepted. Upon rejection of any application for a license or upon withdrawal of any application before City Council approval, the license fee shall be refunded in full to the applicant except where rejection is for a willful misstatement in the license application.
- (c) When the license is for a premises where the building is not ready for occupancy, the time fixed for computation of the license fee for the initial license period shall be ninety (90) days after approval for the license by the City Council or upon the date the building is ready for occupancy, whichever is sooner.
- (d) When a new license application is submitted as a result of incorporation by an existing licensee and the ownership, control, and interest in the license are unchanged, no additional fee shall be required.

(2) Investigation Fee

- (a) An applicant for any license under this Chapter shall deposit with the issuing authority at the time an original application is submitted, \$1,500 to cover the costs involved in verifying the license application and to cover the expense of any investigation needed to assure compliance with this Chapter.
- (b) If the investigation and verification process is conducted solely within the State of Minnesota, the fee shall be \$500, and the remainder of the deposit shall be returned to the applicant. If the investigation and verification process is conducted outside the State of Minnesota, the issuing authority may recover the actual investigation costs not exceeding \$1,500.

(3) Billable Transaction Fee

- (a) The billable transaction license fee shall reflect the cost of monitoring and processing transactions and other related regulatory expenses as determined by the city council, and shall be reviewed and adjusted, if necessary, annually. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented.
- (b) Billable transaction fees shall be billed monthly and are due and payable within thirty (30) days. Failure to do so is a violation of this chapter.

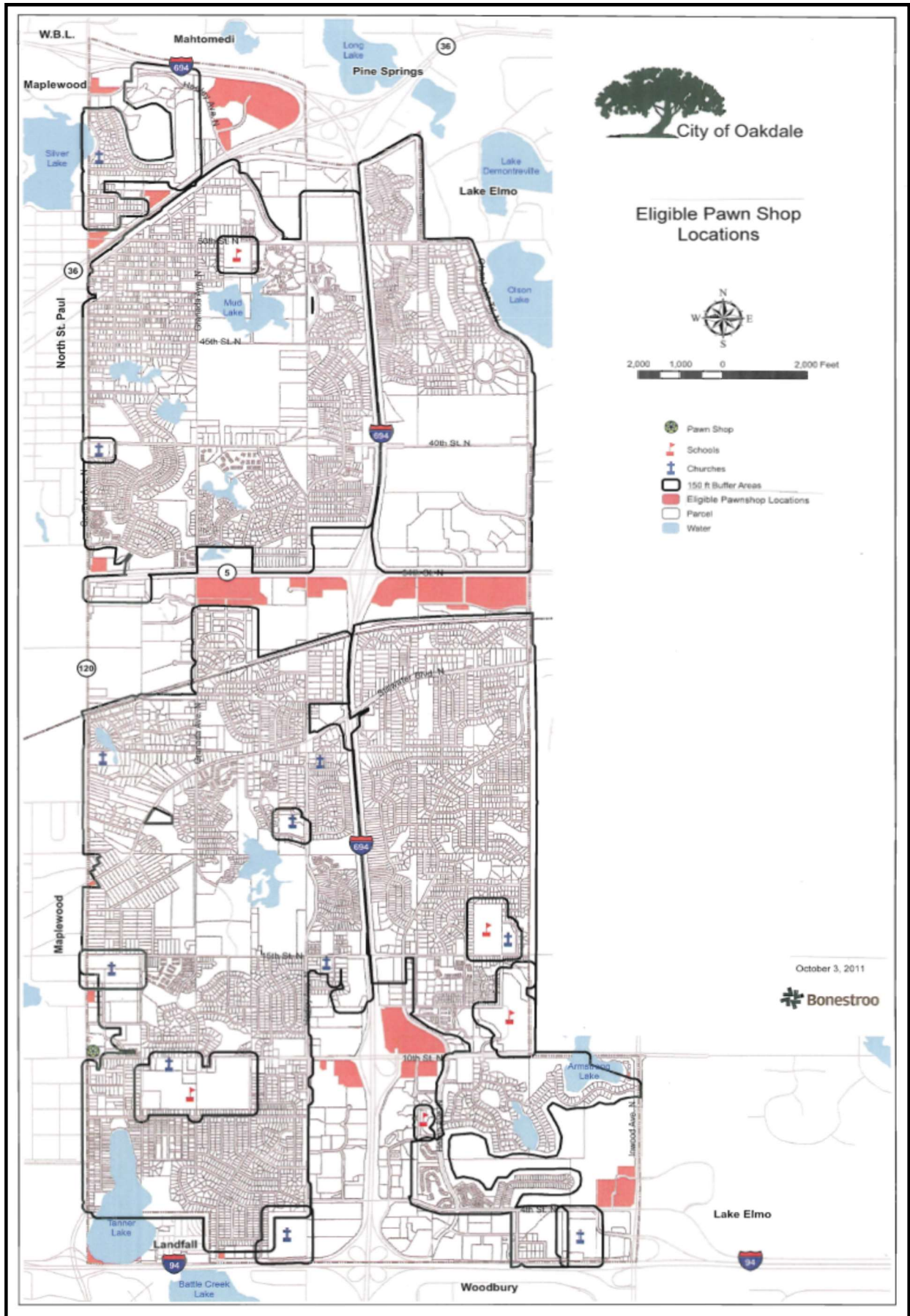
(4) **Late Fee.** If a renewal application is received after the given due date, a late fee, as determined by the City Council, shall be charged to the applicant. Late renewal applications shall not be processed until

the late fee is paid in full. The late fee must be paid separately from the renewal application fee due to accounting purposes.

- (5) **Public Hearing Notice Fee.** New license applicants must pay a public hearing notice fee, per notice posting. The fee is non-refundable and must be paid prior to the public hearing. The amount of the public hearing notice fee shall be determined by the City Council.

**Sec. 9-10. Persons and Locations Ineligible for a License.**

- (1) No license under this Chapter shall be issued to an applicant who is a natural person; if such applicant:
- (a) Is a minor at the time the application is filed;
  - (b) Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes, Section 364.03, subdivision 2, and has not shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker or a precious metals dealer as prescribed by Minnesota Statutes, Section 364.03, subdivision 3;
  - (c) Is not a citizen of the United States or a resident alien;
  - (d) Is not of good moral character or repute; or
  - (e) Holds an intoxicating liquor license under Chapter 10 of this Code.
- (2) The provisions of this section as described in paragraph (1), letters (a) through (e), shall also apply to any partnership if such applicant has any general partner or managing partner meeting any of the described criteria; and shall also apply to any corporation or other organization if such applicant has any manager, proprietor, or agent in charge of the business meeting any of the described criteria.
- (3) The following locations shall be ineligible for a license under this Chapter:
- (a) 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, Sections 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 (1) year after becoming due.
  - (b) 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 the requirements of any Chapter 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, shall not make the premises ineligible under this subsection.
  - (c) A pawnshop license can only be granted if the pawnshop is located more than 150 feet, as measured from the closest point of the property line where the pawnshop is located to the closest point of the property line of another pawnshop, currency exchange business, school, church, or residentially zoned property. The following map depicts the areas in the City where a pawnshop license can be granted:





## Sec. 9-11. General Regulations.

- (1) Records Required. At the time of a receipt of an item of property, whether sold or pawned, the pawnbroker, precious metal dealer or secondhand goods dealer shall immediately record, using the English language, in a computerized record or in a book or journal which has page numbers that are preprinted and in an indelible ink, the following information:
  - (a) A complete and accurate description of each item including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such item;
  - (b) The price of the item paid by the pawnbroker, precious metal dealer or secondhand goods dealer, and whether the item was purchased or pawned;
  - (c) The date and time the item of property was received by the pawnbroker, precious metal dealer or secondhand goods dealer and the unique alpha and/or numeric transaction identifier that distinguishes it from all other transactions in the licensee's records;
  - (d) The full name, residential street address, residence telephone number, and date of birth of the person from which the item of property was received;
  - (e) An accurate description of the person from whom the item of property was received including: sex, height, weight, race, color of eyes and color of hair;
  - (f) The identification number from one of the following forms of identification of the person from whom the item was received:
    - (i) A valid driver's license,
    - (ii) A Minnesota identification card,
    - (iii) A photo identification issued by the state of residency of the person from whom the item was received.
  - (g) The signature of the person identified in the transaction.
  - (h) A color photograph of every item pawned or sold that does not have a unique serial or identification number permanently engraved or affixed.
- (2) Photograph Requirement. The City Council finds that the safety of the public is compromised when stolen property is easily pawned or sold to pawnbrokers, precious metal dealers or secondhand goods dealers. Given the nature of these businesses and the attraction these businesses have to the criminally disposed, the City Council enacts the following license regulations. A pawnbroker, precious metal dealer or secondhand goods dealer shall take a color photograph, a video photograph or color video recording of each person involved in a billable transaction. If a photograph is taken, it shall be at least two inches (2") in length by two inches (2") in width and shall be immediately developed and referenced with the information regarding the person and the transaction to which it relates. The major portion of the photograph shall include a front facial pose. The pawnbroker, precious metal dealer or secondhand goods dealer shall notify the person of the photograph requirement prior to taking his or her photograph. If a video photograph is taken, the video camera shall zoom in on the person involved in the billable transaction 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, precious metal dealer or secondhand goods dealer shall, by adequate signage, inform the person that he/she is being videotaped. The photographs and videotape shall be kept by the licensee for four (4) months.
- (3) Inspection of Records. The pawnbroker, precious metal dealer, or secondhand goods dealer shall make available the information required in subpart (1) of this section at all reasonable times for inspection by the Police Department or issuing authority. The information required in subpart (1) of this section shall be retained by the pawnbroker, precious metal dealer, or secondhand goods dealer for at least four (4) years.

- (4) Daily Reports to Police. Effective no later than sixty (60) days after the licensee receives the current version of the Automated Pawn System Interchange File Specification, licensees must submit every reportable transaction to the police department daily in the following manner:
- (a) Licensees must provide to the police department all reportable transaction information by transferring it from their computer to the Automated Pawn System via modem using the current version of the Automated Pawn System Interchange File Specification. All required records must be transmitted completely and accurately after the close of business each day in accordance with standards and procedures established by the issuing authority. Any transaction that does not meet the Automated Pawn System Interchange File Specification must be corrected and resubmitted the next business day. The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs patrons that all transactions are reported to the police department daily.
  - (b) Inability to transmit via modem.
    - (i) If a licensee is unable to successfully transfer the required reports by modem, the licensee must provide the police department, upon request, printed copies of all reportable transactions along with the video tape(s) for that date, by noon the next business day;
    - (ii) Regardless of the cause or origin of the technical problems that prevented the licensee from uploading their reportable transactions, upon correction of the problem, the licensee shall upload every reportable transaction from every business day the problem had existed.
- (5) Receipt. The pawnbroker, precious metal dealer or secondhand goods dealer shall provide a receipt to the party identified in every reportable transaction and must maintain a duplicate of that receipt for (3) years. The receipt must include the following information:
- (a) The name, address, and telephone number of the licensed business.
  - (b) The date and time the item was received by the licensee.
  - (c) Whether the item was pawned or sold, or the nature of the transaction.
  - (d) An accurate description of the item received including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such an item.
  - (e) The signature of the licensee or employee that conducted the transaction.
  - (f) The amount advanced or paid.
  - (g) The last regular business day by which the item must be redeemed by the pledger without risk that the item will be sold and the amount necessary to redeem the pawned item on that date.
  - (h) The monthly and annual rate of interest including all fees and charges.
  - (i) The full name, current residential address, current residential telephone number, and date of birth of the person from which the item of property was received.
  - (j) An accurate description of the person from whom the item of property was received including: sex, height, weight, race, color of eyes and color of hair.
  - (k) The identification number from one of the following forms of identification of the person from whom the item was received:
    - (i) A valid driver's license,
    - (ii) A Minnesota identification card,
    - (iii) A photo identification issued by the state of residency of the person from whom the item was received.
  - (l) The signature of the person identified in the transaction.

- (m) All printed statements as required by state statute 325J.04 subdivision 2, or any other applicable statutes.
- (6) Redemption Period. Any person pledging, pawning or depositing an item for security must have a minimum of (60) sixty days from the date of that transaction to redeem the item before it may be forfeited and sold. During the (60) sixty day holding period, items may not be removed from the licensed location. Licensees are prohibited from redeeming any item to anyone other than the person to whom the receipt was issued or, to any person identified in a written and notarized authorization to redeem the property identified in the receipt, or to a person identified in writing by the pledger at the time of the initial transaction and signed by the pledger.
- (7) Holding Period. Any item purchased or accepted in trade by a licensee shall not be sold or otherwise transferred for thirty-one (31) days after the date of the sale or pawn. However, an individual may redeem an item pawned at any time during the redemption period.
- (8) Police Order to Hold Property.
  - (a) Investigative hold. Whenever a law enforcement official notifies the licensee not to sell an item, the item shall not be sold or removed from the licensed premises. The investigative hold shall be confirmed in writing by the originating agency within (72) seventy-two hours and will remain in effect for (15) fifteen days from the date of initial notification, or until the investigative order is canceled, or until an order to confiscate is issued, whichever comes first.
  - (b) Order to confiscate. If an item is identified as stolen or evidence in a criminal case, a law enforcement official may physically confiscate and remove it from the licensed premises pursuant to a written order. When an item is confiscated, the person doing so shall provide identification upon request of the licensee, and shall provide the licensee the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation.
  - (c) When an investigative hold or an order to confiscate is no longer necessary, a law enforcement official shall notify the licensee and property previously confiscated under the rescinded order returned to the licensee.
- (9) Inspection of Items. The pawnbroker, precious metal dealer or secondhand goods dealer shall, - during normal business hours and during the term of the license, allow the Police Department to enter the premises where the business is located, for the purpose of inspecting such premises and inspecting the items, ware, and merchandise therein for the purpose of locating items suspected or alleged to have been stolen or otherwise improperly disposed of.
- (10) Label required. Licensees must attach 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 business' records, the transaction date, the name of the item and the description or the model and serial number of the item, and the date the item is out of pawn or can be sold, if applicable. Labels shall not be re-used.

**Sec. 9-12. General License Restrictions.**

- (1) Hours of Operation. No pawnbroker, precious metal dealer, or secondhand goods dealer shall keep the business open for the transaction of business on any day of the week before 7 AM or after 10 PM.
- (2) Minors. The pawnbroker, precious metal dealer, or secondhand goods dealer shall not purchase or receive personal property of any nature from any minor.
- (3) License Display. A license issued under this Chapter must be posted in a conspicuous place in the premises for which it is used. The license issued is only effective for the compact and contiguous space specified in the approved license application.
- (4) Maintenance of Order. A licensee under this Chapter shall be responsible for the conduct of the business being operated and shall maintain conditions of order.

- (5) Gambling. No licensee under this Chapter may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice, slot machines, roulette wheels, punchboards, blackjack tables, or pinball machines which return coins or slugs, chips, or tokens of any kind, which are redeemable in merchandise or cash. No gambling equipment authorized under Minnesota Statutes, Section 349.11-349.60 may be kept or 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, Section 349A.01-349A.15.
- (6) Prohibited Goods. No licensee under this Chapter shall accept any item of property that contains an altered or obliterated serial number or "Operation Identification" number or any item of property whose serial number has been removed.
- (7) Proper Identification. A licensee under this Chapter shall not accept items of property unless the seller or pledger provides to the licensee one of the following forms of identification:
- (a) A valid driver's license,
  - (b) A Minnesota Identification Card; or
  - (c) A photo identification issued by the state of residency of the person from whom the item was received.
- No other forms of identification shall be accepted.
- (8) Property of Another. No person may pawn, pledge, sell, consign, leave, or deposit any article of property not their own, nor shall any person pawn, pledge, sell, consign, leave, or deposit the property of another, whether with permission or without; nor shall any person pawn, pledge, sell, consign, leave, or deposit any article of property in which another has a security interest; with any licensee.
- (9) False Information. No person seeking to pawn, pledge, sell, consign, leave, or deposit any article of property with any licensee shall give a false or fictitious name; nor give a false date of birth; nor give a false or out of date address of residence or telephone number; nor present a false or altered identification, or the identification of another; to any licensee.
- (10) Licensee Prohibited Acts. No licensee shall:
- (a) Possess stolen goods;
  - (b) Receive property from a minor;
  - (c) Lend money on a pledge at a rate of interest above that allowed by law;
  - (d) Sell pledged goods before the time to redeem has expired;
  - (e) Refuse to disclose to the pledger, after having sold pledged goods, the name of the purchaser or the price for which the item sold.
- (11) Business At Only One Place. A license under this article authorizes the licensee to conduct its business only at the permanent place of business designated in the license. However, upon written request the Chief of Police or his designee may approve an off-site locked and secure storage facility. The licensee shall permit inspection of the facility in accordance with this chapter. All provisions of this article regarding recordkeeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of this article. The licensee must either own the building in which the business is conducted and any approved off-site storage facility, or have a lease on the business premises which extends for more than six months.
- (12) Restrictions on Weapons.
- (a) A pawnbroker, precious metal dealer, or secondhand goods dealer may not receive as a pledge or otherwise, or accept for consignment or sale any revolver, pistol, rifle, shotgun, or other firearm unless said dealer also maintains a federal firearms dealers license.
  - (b) A pawnbroker, precious metal dealer, or secondhand goods dealer 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.

- (13) Not more than 1 pawn shop license shall be issued.
- (14) Not more than 1 precious metal dealer license shall be issued.

**Sec. 9-13. Restrictions Regarding License Transfer.** Each license under this Chapter 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.

**Sec. 9-14. Suspension or Revocation of License.**

- (1) The City Council may suspend or revoke a license issued under this Chapter upon a finding of a violation of: (1) any of the provisions of this Chapter; (2) any state statute regulating pawnbrokers, precious metal dealers, or secondhand goods dealers; or (3) any state or local law relating to moral character and repute. Any conviction by the pawnbroker, precious metal dealer, or secondhand goods dealer 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.
- (2) Except in the case of a suspension pending a hearing on revocation, a revocation or suspension by the City Council shall be preceded by written notice to the licensee and a public hearing. The written notice shall give at least eight (8) days' notice of time and place of the hearing and shall state the nature of the charges against the pawnbroker, precious metal dealer or secondhand goods dealer. The City Council may, without any notice suspend any license pending a hearing on revocation for a period not to exceed thirty (30) days. The notice may be served upon the pawnbroker, precious metal dealer, or secondhand goods dealer by United States mail addressed to the most recent address of the business in the license application.

**Sec. 9-15. Severability.** If any section, subsection, sentence, clause, or phrase of this Chapter is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Chapter. The City Council hereby declares that it would have adopted this Chapter and each section, subsection, sentences, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

**Sec. 9-16. Penalty.** A violation of this Chapter shall be a misdemeanor under Minnesota law.