

**PROPOSED ORDINANCE TO BE CONSIDERED BY
THE CITY COUNCIL ON JANUARY 14, 2020**

**City of Oakdale
ORDINANCE NO. xxx**

**AMENDING THE CODE OF ORDINANCES FOR THE CITY OF OAKDALE, CHAPTER 9 –
LICENSES AND BUSINESS REGULATIONS, ARTICLE I – PAWNBROKERS/PRECIOUS METAL
DEALERS/SECONDHAND GOODS DEALERS.**

The City Council of the City of Oakdale hereby ordains:

Section 1. Chapter 9, Article I of the Code of Ordinances is hereby amended as follows:

**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): a computer database maintained by a vendor that has been designated by the City of Oakdale Police Department.

Section 2. This ordinance shall take effect and be in full force from and after its adoption and publication, as provided by law.