

BELTRAMI COUNTY

AUTOMATED PAWNSHOP, SECONDHAND DEALERS AND PRECIOUS METALS DEALERS ORDINANCE(#42)

THE COUNTY OF BELTRAMI DOES ORDAIN:

Subdivision 1. Purpose. The purpose of this Ordinance is to prevent pawnshop, secondhand dealers and precious metals businesses from being used as facilities for the commission of crime. The County finds that the pawn industry has outgrown the County's current ability to effectively or efficiently identify crime activity related to pawnshops, and that secondhand dealers and precious metal dealers can also be compromised by others in the commission of crimes. To assure that such businesses comply with basic consumer protection standards and to protect the public health, safety and general welfare of the citizens of the County, the County therefore finds consumer protection regulation is warranted in transactions involving pawnbrokers, secondhand dealers, and precious metal dealers.

To help law enforcement better regulate current and future pawnshop, secondhand goods, and precious metal businesses, decrease and stabilize costs associated with regulation of these businesses, and increase identification of criminal activities in these businesses through the timely collection and sharing of pawn transaction information, this Ordinance also implements and establishes the required use of the Automated Pawn System (APS)®.

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

- A. Antique. Any used property offered for sale upon the basis, express or implied, that the value of the property, in whole or in substantial part, is derived from its age or its historical association and exceeds the original value of the item when new.
- B. Antique dealer. Any natural person, partnership or corporation, either as principal or agent or employee thereof, whose regular business includes selling or receiving goods previously owned, used, rented or leased, who offers for sale upon the basis, express or implied, that the value of the property, in whole or in substantial part, is derived from its age or its historical association and exceeds the original value of the item when new.
- C. Billable transaction. Every reportable transaction conducted by a pawnbroker, secondhand dealer, or precious metal dealer is a billable transaction except renewals, redemptions, or extensions of existing pawns on items previously reported and continuously in the licensee's possession, voided transactions, and confiscations.
- D. Minor. Any person under 18 years of age.
- E. Pawnbroker. Any natural person, partnership or corporation, either as principal, agent or employee thereof, within the County who loans money on deposits or

pledge of personal property or other valuable thing; who deals in the purchasing of personal property or other valuable item on condition of selling that same item back again at a stipulated price; or who loans money secured by a mortgage on personal property, taking possession of the property or any part thereof so mortgaged. To the extent that a business includes buying personal property previously used, rented or leased, or selling it on consignment, the provision of this section shall be applicable. Any bank, savings and loan association or credit union shall not be deemed a pawnbroker for purposes of this section.

- F. Pawnshop. The location at which or premises in which a pawnbroker regularly conducts business.
- G. Person. An individual; 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.
- H. Precious metal dealer. Any person engaged in the business of buying coins or secondhand items containing precious metal, including but not limited to, jewelry, watches, eating utensils, candlesticks, and religious and decorative objects.
- I. Secondhand dealer. A person, partnership, firm or corporation whose regular business includes selling or receiving tangible personal property from the public (excluding motor vehicles) previously used, rented, owned, or leased but excluding stores selling solely consigned or donated goods. This definition includes antique dealers.
- J. Reportable transaction. Every transaction conducted by a licensee with any member of the public in which merchandise is received through a pawn, purchase, consignment, including electronic transactions, or trade, or in which a pawn is renewed, extended, redeemed, or voided, or for which a unique transaction number or identifier is generated by their point-of-sale software, or an item confiscated by law enforcement, 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 licensee 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.
 - 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.
 - 3. Precious metal dealer transactions in which a secondhand item containing precious metal is exchanged for a new item containing precious metal and the value of the new item exceeds the value of the secondhand item.
 - 4. Transactions between precious metal dealers if both dealers are licensed under Minn. Stat. § 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 Minn. Stat. § 325F.733.

5. Transactions on behalf of dealers by a licensee, to include the exhibition of dealers' goods by a licensee.
6. Transactions involving secondhand clothing, athletic gear, athletic footwear, and linens where no single item has a value greater than \$50.00, except that dealers of secondhand bedding must comply with Minn. Stat. §§ 325F.25 through 325F.34. This exception does not otherwise apply to the sale of secondhand sporting equipment.
7. Transactions involving secondhand kitchen or laundry appliances.
8. Transactions involving the sale of secondhand furniture.
9. Transactions involving only those secondhand goods taken as part of full payment toward new goods of greater value.
10. Consignment of clothing, houseware and appliance items.
11. Consignment by artists of works of art or craft.
12. Transactions involving antique furniture. This exception does not exempt antique dealers from reporting transactions from the public involving items with unique identification or serial numbers, precious metals, precious gems, firearms, antique audio or video equipment, antique musical instruments, antique photographic or optical equipment, antique sporting equipment, coin collections, sets of collectable items, and/or lighting fixtures or lamps that are, or contained stained, etched, leaded, beveled or art glass.
13. Transactions involving items received for which payment in full is made with a credit or voucher redeemable for merchandise from the licensee.

Subdivision 3. License required. No person, firm or corporation shall conduct or operate the business of pawnbroker, secondhand dealer, or precious metal dealer without having first obtained a license therefore as herein provided; or in violation of any of the provisions herein contained. No pawnbroker, secondhand dealer, or precious metal dealer license may be transferred to a different location or a different person. A separate license is required for each place of business. A person may be issued multiple licenses if there has been compliance with this Ordinance and all other local, state and federal laws for each license.

Business manager is a person or persons designated by the licensee to operate a business in the licensee's absence. A licensee must designate a manager to operate the licensed business if the licensee cannot provide on-site supervisory services at the business for at least 40 hours per month.

- A. When a licensee places a manager in charge of a business, or if the named manager in charge of a licensed business changes, the licensee must complete

and submit the appropriate application, on forms provided by the County, within 14 days.

- B. Upon completion of an investigation of a new manager, the licensee must pay an amount equal to the cost of the investigation to assure compliance with this Ordinance. If the investigation process is conducted solely within the state, the fee shall be \$500.00. If the investigation is conducted outside the state, the issuing authority may recover the actual investigation cost not exceeding \$10,000.00.

Subdivision 4. Exceptions to license requirement.

- A. All pawnbrokers must be licensed and there are no exceptions to the licensing requirements for pawnbrokers.
- B. All second hand dealers must be licensed, except the following transactions shall not require a secondhand dealer's license:
 - 1. The sale of secondhand goods at a garage, rummage or yard sale.
 - 2. The sale of secondhand books or magazines where no single book has a value of greater than \$50.00.
 - 3. The sale of goods at an auction held by a licensed auctioneer.
 - 4. The sale of recyclable material including, but not limited to, motor oil, aluminum, iron, glass, plastic and paper.
 - 5. Private occasional sales of secondhand goods.
 - 6. Sales by charitable organizations that take secondhand goods for no compensation.
 - 7. The sale of used motor vehicles.
 - 8. 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.
- C. The following transactions shall not require a precious metal dealer's license:
 - 1. Transactions at "garage", "rummage" or "yard" sales, or estate sales or auctions held at the decedent's residence, except that precious metal dealers must comply with the requirements of Minn. Stat. §§ 325F.73 to 325F.744 for these transactions.
 - 2. Transactions regulated by Minn. Stat. Ch. 80A.
 - 3. Transactions regulated by the Federal Commodity Futures Commission Act.

4. Transactions involving the purchase of precious metal grindings, filings, slag, sweeps, scraps or dust from an industrial manufacturer, dental lab, dentist or agent thereof.
5. Transactions involving the purchase of photographic film such as lithographic and x-ray film or silver residue or flake covered in lithographic and x-ray film processing.
6. The business of buying or selling only those secondhand goods taken as part of full payment toward new goods of greater value.

Subdivision 5. Application for license.

- A. Every application for license under this section, whether for a natural person, partnership, corporation or other organization shall be made on a form supplied by the County and shall contain all information on said license form as required by law.
- B. Application execution. All license applications under this section shall be signed and sworn to under oath or affirmation by the applicant. If the applicant is a natural person, it must be signed and sworn to by such person. If the applicant is a corporation, it must be signed and sworn to by an officer. If the applicant is a partnership, it must be signed and sworn to by one of the general partners. If the applicant is an unincorporated association, it must be signed and sworn to by the manager or managing officer. Any license obtained by use of false information shall result in the denial or revocation of a license.
- C. Application verification. All applications shall be referred to the Sheriff's department for verification and investigation of the facts set forth in the application. The Sheriff's department shall make a written report and recommendation to the County Board as to issuance or non issuance of the license. The County may order and conduct such additional investigation as it deems necessary during normal business hours.
- D. 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.

Subdivision 6. Fees

- A. Each application shall be submitted with an Investigation Fee and the Annual License Fee. The County will adopt by resolution the amounts for the fees.
 1. The Investigation Fee is nonrefundable, whether the application is approved or not. The Investigation Fee covers the costs involved in verifying the license application and any expenses incurred by investigating compliance with this provision. Investigative costs for

applications requiring investigation outside the State of Minnesota will be billed to the applicant in accordance with this Ordinance.

2. The Investigation Fee and License Fee shall be paid in full before the license application is accepted.
3. The license fee shall be paid annually. The initial license fee will be prorated from the date of issuance. Renewal shall occur on or before January 15th of each calendar year.
4. The application fee shall be credited to the first annual license fee, if the application is approved.
5. Upon rejection, denial or withdrawal of any license application, only the annual license fee shall be refunded.

Subdivision 7. Billable transaction fee.

- A. The billable transaction license fee shall be by County resolution.
- B. The billable transaction license fee shall reflect the cost of processing transactions and other related regulatory expenses as determined by the County, and shall be reviewed and adjusted, if necessary, annually. Licensees shall be notified in writing 30 days before any adjustment is implemented.
- C. Billable transaction fees shall be billed monthly and are due and payable within 30 days. Failure to do so is a violation of this Ordinance.

Subdivision 8. Bond. A pawnbroker license will not be issued unless the applicant files with the County Auditor a bond with corporate surety, cash, or a United States Government Bond in the amount of \$2,000.00 for a pawnbroker, \$1,000.00 for a secondhand dealer, and \$1,000.00 for a precious metal dealer license. The bond must be conditioned on the licensee obeying the laws and ordinances governing the licensed business and paying all fees, taxes, penalties and other charges associated with the business. The bond must be further conditioned that the principal will account for and deliver to any person legally entitled any goods which have come into the principal's hand through the principal's business as a pawnbroker, secondhand dealer, or precious metal dealer, or in lieu thereof, pay the reasonable value in money to the person. The bond must provide that it is forfeited to the County upon violation of any law or ordinance, and that it cannot be canceled except upon thirty days' written notice to the County, which shall be served upon the licensing authority.

Subdivision 9. Application renewal. All licenses issued under this Ordinance shall expire on January 1st following the date of approval by the County. 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 County requires. No expiration of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any pledgor.

Subdivision 10. Death of a licensee. In the case of the death of a licensee, the relative or personal representative of the licensee may continue operation of the business for not more than 90 days after the licensee's death.

Subdivision 11. Conditions for approval of license/eligibility. To be eligible for or to maintain a pawnbroker, secondhand dealer, or precious metal license, a person must operate lawfully and fairly within the provisions of this section and all other applicable laws, and:

- A. No license under this section shall be issued to 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 Minn. Stat. § 364.03, subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker, secondhand dealer, or precious metal dealer, as prescribed by Minn. Stat. § 364.03, subd. 3; or
 - 3. Holds an intoxicating liquor license; or
 - 4. Is not a citizen of the United States or a resident alien, or upon whom it is impractical to conduct a background and financial investigation due to the unavailability of information; or
 - 5. Is not of sufficient good moral character or repute as determined by the County.

- B. No license under this section shall be issued to 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 and the person licensed as prescribed by Minn. Stat. § 364.03, subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker, secondhand dealer, or precious metal dealer, as prescribed by Minn. Stat. § 364.03, subd. 3; or
 - 3. Holds an intoxicating liquor license; or
 - 4. Is not a citizen of the United States or a resident alien, or upon whom it is impractical to conduct a background and financial investigation due to the unavailability of information; or
 - 5. Is not of sufficient good moral character or repute as determined by the County.

- C. No license under this section shall be issued to 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 Minn. Stat. § 364.03, subd. 2, unless the person has shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a pawnbroker, secondhand dealer, or precious metal dealer as prescribed by Minn. Stat. § 364.03, subd. 3; or
 - 3. Holds an intoxicating liquor license; or
 - 4. Is not a citizen of the United States or a resident alien, or upon whom it is impractical to conduct a background and financial investigation due to the unavailability of information; or
 - 5. Is not of sufficient good moral character or repute as determined by the County.
- D. Any change, directly or beneficially, in the ownership of any licensed pawnshop, secondhand dealer or precious metal dealer 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 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 Ordinance.
 - 2. 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 premise which improvements have not been completed.

Subdivision 12. General license restrictions.

- A. Recordkeeping. At the time of a receipt of an item of property (other than pawn renewals, extensions or redemptions), whether sold or pawned, the pawnbroker, secondhand dealer, and precious metal dealer shall immediately record, using the English language, in an indelible ink, or in a computerized record approved by the County, 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 the item of property was received by the licensee, and the unique alpha and/or numeric transaction identifier that distinguishes it from all other transactions in the licensee's records;
3. The full name, current residence address, current residence telephone number, address, date of birth, sex, height, weight, race and color of hair and eyes of the pledgor or seller;
4. The identification number and state of issue from any of the following forms of identification of the seller:
 - a. Current valid Minnesota driver's license.
 - b. Current valid Minnesota identification card.
 - c. Current valid photo identification card issued by another state or province of Canada.
5. The signature of the person identified in the transaction.
6. The purchase price, amount of money loaned upon or pledged therefore;
7. The maturity date of the pawn transaction and the amount due;
8. The monthly and annual interest rates, including all pawn fees and charges; and
9. The licensee must also take color photographs or color video recording of:
 - a. Each customer involved in a billable transaction.
 - b. Every item pawned or sold that does not have a unique serial or identification number permanently engraved or affixed.
 - c. If a photograph is taken, it must be at least two inches in length by two inches in width and must be maintained in such a manner that the photograph can be readily matched and correlated with all other records of the transaction to which they relate. Such photographs must be available to the Beltrami County Sheriff, upon request. The licensee must display a sign of sufficient size in a conspicuous place in the premises indicating that the images are being recorded.
 - d. If a video photograph is taken, the video camera must zoom in on the person pawning or selling the item so as to include an identifiable close up of that person's face. Items photographed by video must be accurately depicted. Video photographs must be electronically referenced by time and date so they can be readily matched and correlated with all other records of the transaction to which they relate. The licensee must display a sign of sufficient

size in a conspicuous place on the premises indicating that the images are being recorded. The licensee must keep the exposed videotape for three months.

10. Digitized photographs. The licensee may fulfill the color photograph requirements of this Ordinance by submitting them as digital images, in a format specified by the issuing authority, electronically cross referenced to the reportable transaction they are associated with. The digital images may be captured from required video recordings, so long as all image requirements of this Ordinance are met.

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

1. The statement "Any personal property pledged to a pawnbroker within this state is subject to sale or disposal when there has been no payment made on the account for a period of not less than 60 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 "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 "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".
4. A blank line for the pledgor's signature.

C. Inspection of records. The pawnbroker, secondhand dealer, or precious metal dealer shall make available the information required in this section during business hours for inspection by the County. The information required in this section shall be retained by the pawnbroker, secondhand dealer, or precious metal dealer for at least three years. These records shall be a correct copy of its entries made of the pawn transactions.

D. Daily reports to police.

1. Effective no later than sixty (60) days after the Sheriff's department provides licensees with the current version of the Automated Pawn System Interchange File Specification, licensees must submit every reportable transaction to the Beltrami County Sheriff's Department daily in the following manner:
 - a. Licensees must provide 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 County using a dial-callback protocol or other procedures that address security concerns of the licensee and the County. 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 all patrons that all transactions are reported to the police department daily.

- b. Billable transaction fees. Licensees will be charged for each billable transaction reported to the Sheriff's Department.
 - 1. If a licensee is unable to successfully transfer the required reports by modem, the licensee must provide the Sheriff's Department, upon request, printed copies of all reportable transactions along with the video tape(s) for that date, by 12:00 noon the next business day.
 - 2. If the problem is determined to be in the licensee's system and is not corrected by the close of the first business day following the failure, the licensee must provide the required reports as detailed in this section and must be charged a \$50.00 reporting failure penalty, daily, until the error is corrected. The Sheriff's Department may, upon presentation of extenuating circumstances, delay the implementation of this penalty.
 - 3. If the problem is determined to be outside the licensee's system, the licensee must continue to provide the required reports and resubmit all such transactions via modem when the error is corrected.
 - 4. If a licensee is unable to capture, digitize or transmit the photographs required by this Ordinance, the licensee must immediately take all required photographs with a still camera, cross-reference the photographs to the correct transaction, and make the photographs available to law enforcement upon request.
 - 5. 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 existed.
- E. All new licensees are required to submit reportable transactions daily via modem. Pawnbrokers, secondhand dealers, and precious metal dealers in business prior

to the passage of this Ordinance that conduct fewer than 400 reportable transactions annually may, with approval by the licensing authority, submit daily reports manually until they exceed the annual minimum. Such reports must be submitted to the Sheriff's Department in writing and on forms approved by the licensing authority, by 12:00 p.m. (noon) the first business day following the date of the transaction. The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs all patrons that all transactions are reported to the Sheriff's Department daily. Billable transaction fees for licensees who submit reports manually will reflect the additional costs for entering the date in the Automated Pawn System.

- F. Law Enforcement order to hold property.
1. Investigative hold. Whenever a law enforcement official from any agency notifies a pawnbroker, secondhand dealer, or precious metal dealer not to sell an item, the item must not be sold or removed from the premises. The investigative hold shall be confirmed in writing by the originating agency within 72 hours and will remain in effect for 15 days from the date of initial notification, or until the investigative order is canceled, or until an order to hold/confiscate is issued, pursuant to this Ordinance, whichever comes first.
 2. Order to hold. Whenever a law enforcement officer notifies a pawnbroker, secondhand dealer, or precious metal dealer not to sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the officer. The order to hold shall expire 90 days from the date it is placed unless the officer determines the hold is still necessary and notifies the licensee in writing.
 3. Order to confiscate. If an item is identified as stolen or evidence in a criminal case, a law enforcement officer may:
 - a. Physically confiscate and remove it from the licensed premises, pursuant to a written order from the Sheriff; or
 - b. Place the item on hold or extend the hold as provided in this Ordinance, and leave it at the licensed premises.
 - c. When an item is confiscated, the person doing so shall provide identification upon request of the pawnbroker, secondhand dealer, or precious metal dealer, and shall provide the licensee the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation.
 - d. When an order to hold/confiscate is no longer necessary, the Sheriff shall so notify the licensee.
- G. Redemption period for pawned goods. Any person pledging, pawning or depositing an item for security must have a minimum of 60 days from the date of that transaction to redeem the item before it may be forfeited and sold. During the 60-day holding period, items may not be removed from the licensed location

except as to off-site locked storage facilities approved under the license or by law enforcement personnel. 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 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 in accordance with this Ordinance.

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 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, secondhand dealer, or precious metal dealer.
 2. The licensee's right, title, and interest in the pledged goods under this Ordinance is qualified only by the pledgor's right, while the pledged goods remain in possession of the pawnbroker, secondhand dealer, or precious metal dealer 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 the title to property is subject to Minn. Stat. chs. 168A or 336.
 4. 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.
 5. 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 repurchase the pledged goods described on the ticket. In the event the goods are lost or damaged while in possession of the pawnbroker, secondhand dealer, or precious metal dealer, the pawnbroker, secondhand dealer, or precious metal dealer 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.
- H. Labels. 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 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 police department, whichever is applicable, and the date the item is out of pawn or can be sold, if applicable. Labels shall not be re-used.

- I. Holding period for sold goods. Any item sold to a pawnbroker, secondhand dealer, or precious metal dealer for which a report to the Sheriff is required shall not be sold or otherwise transferred for 5 days after the date of the transaction. However, an individual may redeem an item 72 hours after the item was received on deposit by the pawnbroker, secondhand dealer, or precious metal dealer, excluding Sundays and legal holidays.
- J. Receipt. The pawnbroker, secondhand dealer, or precious metal dealer shall provide a receipt to the party identified in the reportable transaction and must maintain a duplicate of that receipt for three (3) years. The receipt shall include:
 1. The name, address, and phone number of the licensed business;
 2. The date on which the item was received by the licensee;
 3. An accurate description of the item received (including any identifier such as a trademark, serial number, identification number, model number, and/or brand name) and amount paid to the pledgor or seller in exchange for the item pawned or sold;
 4. Whether the item was pawned or sold, or the nature of the transaction;
 5. The signature of the pawnbroker agent or licensee/employee conducting the transaction;
 6. The amount advanced or paid.
 7. 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;
 8. The monthly and annual rate of interest charged on pawned items received; and
 9. The full name, residence address, residence telephone number, address, date of birth, sex, height, weight, race and color of hair and eyes of the pledgor or seller;
 10. The identification number and state of issue from any of the following forms of identification of the seller:
 - a. Current valid Minnesota driver's license.
 - b. Current valid Minnesota identification card.
 - c. Current valid photo identification card issued by another state or province of Canada.
 11. The signature of the person identified in the transaction.
 12. The name, address, and signature of the seller or pledgor.

12. All printed statements as required by Minn. Stat. § 325J.04, subdivision 2, or any other applicable statutes.
- K. Hours of operation. No pawnbroker, secondhand dealer, or precious metal dealer shall keep the pawnbroker, secondhand, or precious metal business open for the transaction of business on any day of the week before 7:00 a.m. or after 10:00 p.m.
- L. Minors. The pawnbroker, secondhand dealer, or precious metal dealer shall not purchase or receive personal property of any nature or deposit or pledge from any minor.
- M. Inspection of items. The licensee shall, at all times during the term of the license, allow the County to enter the licensed premises 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.
- N. License display. A license issued under this section must be posted in a conspicuous place in the premises for which it is used.
- O. 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.
- P. Gambling. No licensee under this section may operate or permit the operation on the licensed premises of dice, slot machines, roulette wheels, punch boards, 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 Minn. Stat., §§ 349A.11- 349.60, 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 Minn. Stat. §§ 349A.01-349A.15.
- Q. 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 that has had its serial number removed.
- R. Proper identification. A licensee under this section shall not accept items of property unless the seller or pledgor provides to the pawnbroker or secondhand dealer 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 seller's state of residency and current Minnesota address.

Pursuant to State Law, no other forms of identification shall be accepted.

- S. Payment. When a pawnbroker accepts an item for purchase or as security for a loan, payment for any article deposited, left, pledged or pawned may be made by cash or by 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 in the premises.
- T. Business at only one place. A license under this section authorizes the licensee to conduct its business only at the permanent place of business designated in the license. The county may issue more than one license to a person if that person complies with this section for each license. However, upon written request the Sheriff may approve an off-site locked and secure storage facility. The licensee shall permit inspection of the facility in accordance with this Ordinance. All provisions of this chapter regarding record keeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of this Ordinance. 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.
- U. Restrictions on weapons.
 - 1. A pawnbroker, secondhand dealer, or precious metal 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.
 - 2. A pawnbroker, secondhand dealer, or precious metal 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.

Subdivision 13. Restrictions regarding license transfer. Each license under this Ordinance 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.

Subdivision 14. Suspension or revocation of license.

- A. The County may suspend or revoke a license issued under this section upon a finding of a violation of:
 - 1. Any of the provisions of this Ordinance; or
 - 2. Any state statute regulating pawnbrokers, precious metal dealers or secondhand dealers.
 - 3. The applicant is not a citizen of the United States or a resident alien, or upon whom it is impractical to impossible to conduct a background or financial investigation due to the unavailability of information.

4. Fraud, misrepresentation or bribery in securing or renewing a license.
 5. Fraud, misrepresentation or false statements made in the application and investigation for, or in the course of, the applicant's business.
 6. Any conviction by the pawnbroker, secondhand dealer, or precious metal dealer for theft, receiving stolen property, or any other crime or violation involving stolen property, damage or trespass to property, sale of controlled substances, or violation of any law relating to the operation of a business, or any crime of violence (as defined in Minn. Stat. § 624.712) shall result in the immediate suspension pending a hearing on revocation of any license issued hereunder.
- B. Except in the case of a suspension pending a hearing or revocation, a revocation or suspension by the County shall be preceded by written notice to the licensee and a public hearing. The written notice shall give at least ten days' notice of the time and place of the hearing and shall state the nature of the charges against the pawnbroker, secondhand dealer, or precious metal dealer. The County 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, secondhand dealer, or precious metal dealer by the United States mail addressed to the most recent address of the business stated in the license application.

- C. Appeal Procedure. Any licensee whose license is suspended or revoked by the County may appeal from such order to the District Court. Such appeal shall be taken by service of written notice hereof upon the County within ten (10) days after service upon the licensee of the order appealed from and by filing with the District Court, within ten days after service, the notice of appeal with proof of service thereof upon the County. An appeal will not stay implementation of the County's order.

Subdivision 15. Permitted charges.

- A. Notwithstanding any other statute, ordinance, rule or regulation, a pawnbroker may contract for and receive a charge not to exceed three 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 if the property is not in the possession of the pawnbroker.
- B. The charge allowed under paragraph A 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 two weeks before the next succeeding month, the pawnbroker shall remit one-half of the pawnshop charge for that month to the pledgor.

- C. Interest shall not be deducted in advance, nor shall any loan be divided or split so as to yield greater interest or fees that would be permitted upon a single, consolidated loan or for otherwise evading any provisions of this section.
- D. 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.
- E. A schedule of charges permitted by this section shall be posted on the pawnshop premises in a place clearly visible to the general public.

Subdivision 16. Prohibited Acts.

- A. No pawnbroker, secondhand dealer, or precious metal dealer licensed under this Ordinance shall:
 - 1. Intentionally possess stolen goods;
 - 2. Refuse to permit law enforcement officers to examine records or items in the licensee's premises or possession.
- B. No pawnbroker licensed under this section shall:
 - 1. Lend money on a pledge at a rate of interest above that allowed by law;
 - 2. Intentionally possess stolen goods;
 - 3. Sell pledged goods before the time to redeem has expired;
 - 4. Make a loan on a pledge to a minor;
 - 5. Refuse to permit law enforcement officers to examine records or items in the licensee's premises or possession.
- C. No licensee may receive any goods unless the seller presents identification in the form of a valid driver's license, a valid state identification or a photo identification issued by the seller's state of residency together with a current Minnesota address.
- D. No licensee may receive any item of property which contains an altered or obliterated serial number or "Operation Identification" number or any item of property that has had its serial number removed.
- E. No person under the age of eighteen (18) years may pawn or sell or attempt to pawn or sell goods to any licensee, nor shall any licensee receive any goods from a person under the age of eighteen (18) years.
- F. No licensee may receive any goods from a person of unsound mind or an intoxicated person.

- G. 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.
- H. 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.

Subdivision 17. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

Subdivision 18. Penalty. Any violation of this Ordinance shall be a misdemeanor under Minnesota law.

Subdivision 19. Effective Date. This Ordinance shall become effective January 1st, 2006.

1. Licensing. Affected businesses shall obtain the required licensee (if not already licensed) within 30 days after the effective date of the Ordinance. Licenses shall be prorated until January 1st of the following year.
2. Photographs or Videotaping. Affected businesses shall comply with the photograph or videotape requirements within 60 days after the effective date of this Ordinance.
3. Reporting. Licensees who qualify for manual submission of daily reports shall comply with the reporting and associated fee requirements commencing on the effective date of the Ordinance. Licensees who must report electronically shall submit daily reports (physically, until the APS system is installed) and comply with the associated fee requirements commencing on the effective date of the Ordinance.
4. Automated Pawn System. Licensees who must report electronically, pursuant to this ordinance, shall install and commence a reporting software computer system in conformance with the APS system no later than October 1, 2005.

Subdivision 20. Jurisdiction. This ordinance shall apply throughout all unincorporated areas of Beltrami County, and shall also apply within all cities located in Beltrami County with a population of 5,000 or less, unless any such city shall have its own ordinance substantially in conformance with the provisions of this Ordinance.

Subdivision 21. Repealer. Beltrami County Ordinance #15, regulating pawnbrokers and secondhand dealers, effective January 1, 1986, is hereby repealed, effective January 1st, 2006

Subdivision 22. Adoption of Ordinance

Passed by the County Board of Commissioners this _____ day of _____, 2005.

First reading: _____

Second reading: _____

Third reading: _____

Passed: _____

AYES: 0

NAYS: 0

ABSENT: 0

By _____
Chair
Beltrami County Board of Commissioners

Attest:

Tony Murphy
Beltrami County Administrator

COMMON/TIM/Ordinance – Pawnbroker/Ordinance 4th Revision.081005