



## Legislation Text

**File #:** Ord 12-18, **Version:** 1

Amending Chapter 344 of the Legislative Code to update and clarify the Pawn Shop Ordinance.

THE COUNCIL OF THE CITY OF SAINT PAUL DOES ORDAIN:

### SECTION 1

Section 344.02 of the Saint Paul Legislative Code is hereby amended to read as follows:

#### **Sec. 344.02. - Fees.**

(a) The fee required for a license defined under this chapter shall be established by ordinance as provided in section 310.09(b) of the Legislative Code.

(b) The billable transaction fee shall reflect the cost of processing transactions as determined by the director of the department of safety and inspections (hereafter, in this chapter, "director") and the chief of police (hereafter, in this chapter, "chief") or their designees. These fees shall be established by ordinance as provided in section 310.09(b) of the Legislative Code. The billable transaction fee shall be required of all licensees as defined under this chapter except:

(1) If a licensee is unable to successfully transfer the required reports via modem, the licensee must provide the police department printed copies of all reportable transactions along with the videotape(s) for that date, by twelve o'clock noon (12:00) the next business day, and must be charged for billable transactions at a rate to be determined by the automated pawn system (hereafter, in this chapter, "APS") for manual processing.

(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 section 344.04(a), and may do so for up to ten (10) consecutive days without penalty. However, after the tenth day, if the licensee still cannot report via modem, the licensee may, at the discretion of the director and the chief, be fined one hundred dollars (\$100.00) per day not to exceed twenty (20) days. If the licensee cannot report via modem after thirty (30) days from the first date of failure, the license may be revoked.

(3) If the problem is determined to be outside the licensee's system, the licensee must provide the required reports as detailed in section 344.04(a), and will be charged for billable transactions until the error is corrected. If the regulatory agency is unable to collect the required data via modem, no additional charges will be assessed against the pawnbroker.

(4) The licensee who has consistently reported via modem, and is unable to capture, digitize, or transmit the photographs as required under section ~~344.04(a)~~ 344.04(c), must immediately take all required photographs with a still camera, immediately develop the pictures, cross reference the photographs to the correct transaction, and deliver them to the police department by twelve o'clock noon (12:00) on the next business day. Such failures shall follow the same time lines and presume the same penalties as identified in section 344.02(b)(2).

(5) The director, in conjunction with the chief, upon presentation of extenuating circumstances, may extend

the grace period for a qualifying licensee beyond ten (10) days or may extend the penalty beyond twenty (20) days, notwithstanding other provisions as outlined in section 344.02.

(c) Licensees shall be notified in writing at least thirty (30) days before any fee adjustment is implemented. 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 and may result in the following actions:

(1) Fees due past thirty (30) days may result in up to a two-hundred-fifty-dollar fine.

(2) Fees due past sixty (60) days may result in up to a five-hundred-dollar fine.

(3) Fees due past ninety (90) days may result in a license suspension.

(4) Fees due past one hundred twenty (120) days may result in a license revocation.

(5) Any and all adverse actions taken against licensees and their licenses as defined in this chapter shall be ordered by the city council and implemented by the department of safety and inspections. All judgments made by the city council shall be final.

(d) Any applicant for a new license under this chapter shall be required to deposit a fee established by ordinance as specified in section 310.09(b) of the Legislative Code to the department of safety and inspections at the time of original application. Such deposit shall be used to cover the cost of application verification and any additional expense associated with investigations performed to assure compliance with this chapter. If, however, the costs of investigations exceed the original deposit, the department of safety and inspections may recover the actual investigation costs not to exceed ten thousand dollars (\$10,000.00).

## SECTION 2

Section 344.04 of the Saint Paul Legislative Code is hereby amended to read as follows:

### **Sec. 344.04. - Regulations.**

~~(a) Records. Every person engaged and licensed in the business of pawnbroker shall record all purchases or pawn transactions on a standard three-part form furnished by the Saint Paul Police Department, hereafter referred to as a pawn or buy form. One (1) copy shall be maintained at the place of business. The other two (2) shall be delivered to the Saint Paul Police Department according to section 344.04(b) of the Legislative Code. All pawn tickets shall be completed, legibly written in ink in the English language, at the time any loan or purchase is made, and will include the following information:~~

~~(1) The date and time that all such loans and/or purchases are made.~~

~~(2) An accurate description of any person pawning, selling or leaving any type of property on deposit as a collateral security. Such description shall include, but not be limited to, the person's full name; date of birth; residence; physical description, including, but not limited to, sex, height, weight, color of eyes and color of hair; and the identification number from any of the following forms of identification of the persons pawning or selling the property: valid driver's license containing a picture or Minnesota identification card.~~

~~(3) The full description of all such property purchased by the licensee or property received on deposit as collateral security, including the manufacturer's serial number or identifying insignia, if applicable, and the amount of purchase money or the amount loaned.~~

~~(4) All forms shall be signed by such person and initialed by the clerk or agent for the business.~~

~~(5) Entries on such forms shall not be erased, obliterated or defaced in any manner and shall be, at all reasonable times, open to inspection by the chief of police or any member of the police department or the department of safety and inspections.~~

~~(6) Effective April 1, 1996, the licensee must also take a color photograph or color video recording of:~~

~~a. Each customer involved in a billable transaction; and~~

~~b. Every item pawned or sold that does not have a unique serial or identification number permanently engraved or affixed.~~

~~If a photograph is taken, it must be at least two (2) inches in length by two (2) inches in width and must be immediately developed and 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 and/or video photographs must be available to the chief or the chief's designee upon request. The major portion of the photograph must include a front facial pose of the person who pawned or sold an item. Items photographed must be accurately depicted. The licensee must inform persons that they are being photographed and/or videotaped orally and by displaying a sign of sufficient size in a conspicuous place. 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 closeup of that person's face. Video photographs must be electronically referenced by time and date so that they can be readily matched and correlated with all other records of the transaction to which they relate. The licensee must keep the exposed photograph and/or videotape for at least four (4) months.~~

~~(7) Effective sixty (60) days after the date of notification by the chief or the chief's designee, but no sooner than July 1, 1996, licensees must fulfill the forementioned color photograph requirements 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.~~

~~(8) The records must, at all times, be open to inspection by the department of safety and inspections or the police department. Entries must be retained for at least three (3) years from the date of transaction. Digitized images must be filed and kept electronically for a minimum of thirty (30) days. At all times during the terms of the license, the licensee must allow any representative of the department of safety and inspections and/or the police department to enter the premises where the licensed business is located, including all off-site storage facilities as authorized in section 344.04(m), during normal business hours, except in an emergency, for the purpose of inspecting such premises and inspecting the items, wares, merchandise, and records therein to verify compliance with this chapter and other applicable laws.~~

~~(b) Daily reports to police. The licensee or employee of the licensee shall complete a pawn or buy form, as required and furnished by the police department, for each transaction. Two (2) copies of such pawn or buy form shall be delivered to the chief or duly detailed officer by twelve o'clock noon (12:00) the first business day following the day of the transactions. The licensee must inform all patrons that all transactions are reported to the police department daily orally and by displaying a sign of sufficient size in a conspicuous place on the premises. Effective sixty (60) days from notification by the chief or the chief's designee, but no sooner than ninety (90) days after the license inspector provides licensees with computerized record standards, licensees must submit every reportable transaction to the police department daily in the following manner:~~

~~(1) Licensees must provide to the police department the information required in section 344.04(a) by transferring it from their computer through APS to the police department via modem. 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.

~~(c) Receipts required. The licensee or agent of the licensee shall give to the person negotiating a loan or selling property a numbered, written or printed receipt for the property received for the loan or purchase. Such receipt shall correspond with the information on the pawn or buy forms.~~

~~(d) Retention. The police department shall maintain the records turned over to them by the pawnshops for no less than six (6) months. Photographs must be retained for a minimum of thirty (30) days.~~

~~(e) Ninety-day redemption period. Any person pledging, pawning or depositing an article for security shall have a minimum of ninety (90) days from the date when the loan or pledge was originated or renewed to redeem the same before the same becomes forfeitable. No personal property pawned or left on deposit with any person licensed under the terms hereof shall be permitted to be redeemed from the place of business for a period of seventy-two (72) hours, excluding Sundays and holidays. Licensees are prohibited from redeeming any item to anyone other than the person to whom a receipt was issued unless:~~

~~(1) Such person has written approval of the chief or the chief's designee; or~~

~~(2) Such person is identified in a written and notarized designation of that person's interest in the property identified in the receipt; or~~

~~(3) In the event of the death of the person to whom the receipt was issued, by a person presenting a receipt, proper identification as required under section 344.04(a), and a certified copy of such a person's death certificate.~~

~~(f) Property purchased. Property purchased by the licensee shall be recorded in the same manner as items pawned or left on deposit and such property shall not be sold within thirty (30) days following the date of transaction. Motor vehicles shall be exempt from this requirement.~~

~~(g) Report of stolen or lost goods. If any goods, articles or things shall be advertised in any public newspaper of the City of Saint Paul as having been lost or stolen, and such goods, articles or things shall then be or shall thereafter come into the possession of any licensee under the terms hereof, such licensee shall, upon actual notice thereof, immediately thereafter notify the chief or duly detailed officer that certain goods, articles or things advertised are in the licensee's possession and shall not thereafter dispose of the same except upon written authority so to do from the chief or duly detailed officer. If probable cause exists that specific goods or materials are stolen contraband or have been used in the commission of a crime and a representative of the police department notifies the licensee of such fact, the licensee shall not sell or permit to be sold, remove or permit to be removed, such goods and materials until such time as the licensee is notified by the chief or his or her representative.~~

~~(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 pawnshop's records, the transaction date, the name of the item, the model and serial number as they were reported to the police department, if applicable, and the date the item is out of pawn or can be sold, if applicable. The label must be of a type that can be attached to a variety of surfaces and remains easily removable, but of such construction that it may not be easily removed in one (1) piece. Labels shall not be reused.~~

~~(i) Camera surveillance. Licensees shall be required to video tape all transactions and maintain a dated copy of the recording for thirty (30) days. The video recording shall include a clear view of the customer and shall display the date and time of the transaction. The video tape recordings shall be provided to the police or~~

~~license inspector upon request. The foregoing requirements shall become effective as to each licensee, and remain in full force and effect thereafter as to each such licensee, when during any sixty-day period more than one (1) percent of all transactions shall involve stolen property. The term "transaction," for the purposes of this section shall mean the purchase or redemption of property, issuance of pawn tickets or other similar receipts, and all other pawn transactions between the licensee and any other person. Multiple transactions by one (1) member of the public, or transaction involving more than one (1) item of property by one (1) member of the public occurring on the same or successive days, shall be deemed to be one (1) transaction. The term "stolen property," for the purposes of this section shall mean and include any form of tangible property, as to which the owner or possessor of such property has made oral or written complaint to a law enforcement authority that such property has been stolen; provided, however, that there need not be proof of the crime of theft or other criminal offense nor the conviction of any person for theft or other criminal offense in order to establish that the property is stolen. The license inspector, or his or her successor, shall give notice to a licensee that the foregoing requirement for camera surveillance has become effective, and such licensee shall within thirty (30) days after the receipt of such notice begin to comply. Failure to comply after receipt of such notice shall be grounds for adverse action against such licensee. The licensee may dispute in any contested case hearing before an independent hearing examiner, on his or her failure to comply, the factual basis for the imposition of the foregoing camera surveillance requirement. This section shall be repealed effective sixty (60) days from the date of notification by the chief, but no sooner than April 1, 1996.~~

~~(j) Burglar alarm. Licensees shall maintain an electronic burglar alarm system for the licensed premises. Such system must be duly licensed by the city and maintained in working order. Such system must also be centrally monitored and must be backed by a battery power source.~~

~~(k) Investigative hold. Whenever a law enforcement official from any agency notifies a licensee not to sell an item via the APS, the item must not be sold or removed from the premises. The investigative hold shall remain in effect for fifteen (15) days from the date of initial notification, or until the investigative hold is canceled, or until an order to hold/confiscate is issued, whichever occurs first.~~

~~(l) Order to hold/confiscate. Whenever the chief, or the chief's designee, or a licensed law enforcement official from another jurisdiction notifies a licensee not to sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the chief, the chief's designee, or the licensed law enforcement official instituting the hold. The order to hold shall expire ninety (90) days from the date it is placed unless the chief or the chief's designee determines that the hold is still necessary and notifies the licensee in writing. If an item is identified as stolen or as evidence in a criminal case, the chief, the chief's designee, or a licensed law enforcement official from another jurisdiction may:~~

~~(1) Physically confiscate it and remove it from the shop;~~

~~(2) Place the item on permanent hold and leave it in the shop;~~

~~(3) Leave the item in the shop and authorize its release to the owner or an authorized person pursuant to the requirements of MN Stat. 609.523.~~

~~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 the phone number of the confiscating agency and investigator, and the case number related to the confiscation.~~

~~When an order to hold/confiscate is no longer necessary, the chief, the chief's designee, or the licensed officer initiating the hold shall so notify the licensee.~~

~~(m) Business at only one place. A license under this chapter authorizes the licensee to carry on its business~~

only at the permanent place of business designated on the license. However, upon written request, the license inspector may approve an off-site locked and secured storage facility. The licensee shall permit inspection of the facility in accordance with section 344.04(a)(8). All provisions of this chapter regarding recordkeeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of the City Legislative Code. 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 (6) months.

(a) Records Required. At the time of any reportable transaction other than renewals, extensions, or redemptions, every licensee must immediately record the following in a computerized record approved by the Police Department or the licensing inspector, or if the computer is temporarily unavailable in a book or journal which has page numbers that are preprinted and in an indelible ink, record the following information:

(1) A complete and accurate description of each item as well as all of the following, if applicable: any trademark, identification number, serial number, model number, brand name, or any other unique identifying mark;

(2) The date, time, and place the item of property was received by the licensee, and the unique transaction number that distinguishes it from all other transactions;

(3) The full name, date of birth, residence address, and phone number of the person from whom the item was received;

(4) An accurate physical description of the person from whom the item was received, including: sex, height, weight, race, color of eyes, and color of hair. If this information is transcribed from a photo ID there must be a notation that the information recorded actually matched the person from whom the item was received;

(5) The identification number and state or country of issuance, as well as a legible photocopy of one of the following forms of identification of the seller:

- (i) current valid photo driver's license issued within the United States,
- (ii) current valid photo state identification card issued within the United States,
- (iii) current valid United States military photo identification card, or
- (iv) current valid passport.

(6) The amount of money paid, loaned, or pledged therefore;

(7) A list of all fees and charges which the transaction may be subject to;

(8) The last regular day of business 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;

(9) The unique identifier of the licensee or employee that conducted the transaction.

(b) Daily Reports to Police. At the close of each business day, the licensee must provide the above records to the police department by transferring it from their computer to the automated pawn system (APS) via modem using the current version of the APS interchange file specification. All required records must be transmitted completely and accurately. Any transaction that does not meet the APS interchange file specification must be corrected and resubmitted the next business day. The licensee must inform all patrons, both orally and by displaying a sign of sufficient size in a conspicuous place on the premises, that all transactions are reported to the police department daily.

(c) *Photographic Records.* The licensee must also take a color video recording or digitally-captured photo image of the following:

- (1) Each customer involved in a reportable transaction; and,
- (2) Every item received that does not have a unique serial or identification number permanently engraved or affixed.

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.

If a digital color photograph is taken it must be of sufficient quality resolution so that persons and items photographed are clearly identifiable. The major portion of the photograph must include an identifiable front facial close-up of the person who pawned or sold the item. Items photographed must be accurately depicted. Further, the photographs must be maintained in such a manner as to be readily matched and correlated with all of the records of the transaction to which it relates.

The licensee must inform the person that they are being photographed and/or videotaped by displaying a sign of sufficient size in a conspicuous place on the premises.

(d) *Retention of Records.* Data entries must be retained for at least three (3) years from the date of transaction. Photographs, videos, and digitized images must be retained for a minimum of ninety (90) days from the date of transaction.

(e) *Renewals, Extensions, and Redemptions.* For renewals, extensions, and redemptions, the licensee shall provide the original transaction identifier, the date of the current transaction, and the type of transaction.

(f) *Inspection of Records and Premises.* At all times during the terms of the license, the licensee must allow any representative of the department of safety and inspections and/or the police department to enter the premises where the licensed business is located, including all off-site storage facilities as authorized in section 344.04 (p), during normal business hours, except in an emergency, for the purpose of inspecting such premises and inspecting all items and records therein to verify compliance with this chapter and other applicable laws.

(g) *Labeling 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 the name that identifies the transaction in the pawnshop's records, the transaction date, the name of the item, the model and serial number as they were reported to the police department, if applicable, and the date the item is out of pawn or can be sold, if applicable. The label must be of a type that can be attached to a variety of surfaces and remains easily removable, but of such construction that it may not be easily removed in one piece. Labels shall not be reused.

(h) *Receipts Required.* Every licensee must provide a receipt to the party identified in every reportable transaction and must maintain a duplicate of that receipt for three (3) years. The receipt must include at least the following information:

- (1) The name, address, and telephone number of the licensed business.

- (2) The date and time the item was received by the licensee.
- (3) Whether the item was pawned or sold, or the nature of the transaction.
- (4) An accurate description of each item received including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on each item.
- (5) The signature or unique identifier of the licensee or employee who conducted the transaction.
- (6) The amount advanced or paid.
- (7) The monthly and annual interest rates, including all pawn fees and charges.
- (8) If the item was pawned, the last regular day of business by which the item must be redeemed by the pledger without risk that the item will be sold, and the full amount necessary to redeem the item on that date.
- (9) The full name, current residence address, current telephone number, and date of birth of the pledger or seller.
- (10) The identification number and state or country of issuance from any of the following forms of identification of the pledger or seller:
  - (i) current valid photo driver's license issued within the United States,
  - (ii) current valid photo state identification card issued within the United States,
  - (iii) current valid United States photo military identification card, or
  - (iv) current valid passport.
- (11) Description of the pledger or seller including sex, race, color of eyes and hair, and approximate weight and height.
- (12) The statement "The pledger of this item attests that it is not stolen, it has no liens of encumbrances against it, and the pledger has the right to sell or pawn the item."
- (13) Signature and thumbprint of pledger or seller.
  - (i) *Report of Suspicious Items.* No licensee shall receive or accept any item of property that contains an altered, obliterated, or obviously removed serial number or unique identifier, or any item that the licensee has reason to believe has been lost or stolen. Further, the licensee shall immediately report to the police department any attempt to sell, trade, or barter such items. If probable cause exists that specific items are stolen or have been used in the commission of a crime and a representative of the police department notifies the licensee of such fact, the licensee shall not sell or permit to be sold, remove or permit to be removed, such items until such time as the licensee is notified by the chief or his or her representative.
  - (j) *Redemption Period.* A person pledging, pawning, or depositing an item for security shall have a minimum of ninety (90) days from the date of that transaction or any renewal or extension, to redeem the item before it may be forfeited and sold. Licensees are prohibited from redeeming any item to anyone other than the person to whom the receipt was issued unless:
    - (1) Such person has written approval of the chief of police or the chief's designee; or



(2) Such person is identified in a written and notarized designation of that person's interest in the property identified in the receipt; or

(3) In the event of the death of the person to whom the receipt was issued, by a person presenting a receipt with proper identification as required under section 344.04(a), and a certified copy of such person's death certificate.

(k) *Nonredemption.* A pledger shall have no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within ninety (90) days of the date of the pawn transaction, renewal, or extension will automatically be forfeited to the pawnbroker, and qualified right, title, and interest in and to the goods shall automatically vest in the pawnbroker.

(l) *Risk of Loss.* In the event pledged good are lost or damaged while in possession of the pawnbroker, the pawnbroker shall compensate the pledger, in cash or replacement of goods acceptable to the pledger, for the fair market value of the lost or damaged goods. Proof of compensation shall be a defense to any prosecution or civil action.

(m) *Holding Periods.* Any item purchased or accepted in trade by a licensee must not be sold or otherwise transferred for thirty (30) days from the date of the transaction. Motor vehicles shall be exempt from this requirement.

(n) *Police Order to Hold/Confiscate.* Whenever the chief of police, the chief's designee, or a licensed law enforcement official from another jurisdiction notifies a licensee not to sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the chief, the chief's designee, or the licensed law enforcement official instituting the hold. The order to hold shall expire ninety (90) days from the date it is placed unless the chief, the chief's designee, or a licensed law enforcement official determines that the hold is still necessary and notifies the licensee in writing. If an item is identified as stolen or as evidence in a criminal case, the chief, the chief's designee, or a licensed law enforcement official from another jurisdiction may:

(1) Physically confiscate and remove the item from the shop;

(2) Place the item on permanent hold and leave it in the shop;

(3) Leave the item in the shop and authorize its release to the owner or an authorized person pursuant to the requirements of MN Statute 609.523.

When an item is confiscated, the person doing so shall provide identification to the licensee along with the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation. When an order to hold/confiscate is no longer necessary, the chief, the chief's designee, or the licensed law enforcement official initiating the hold shall so notify the licensee.

(o) *Burglar Alarm.* Licensees shall maintain an electronic burglar alarm system for the licensed premises. Such system must be duly licensed by the city and maintained in working order. Such system must also be centrally monitored and must be backed by a battery power source.

(p) *Business at Only One Place.* A license under this chapter authorizes the licensee to carry on its business only at the permanent place of business designated on the license. However, upon written request, the license inspector may approve an off-site locked and secured storage facility. The licensee shall permit inspection of the facility in accordance with section 344.04(f). All provisions of this chapter regarding recordkeeping and reporting apply to the facility and its contents. Property shall be stored in compliance with

all provisions of the City Legislative Code. 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 (6) months.

(q) Required Signage. A licensee must post adequate signage and separate written notice informing persons seeking to pawn, pledge, sell, consign, leave, or deposit goods with the licensee of the requirements of this Chapter. For the purpose of this subsection, "adequate signage" shall, at a minimum, mean at least one sign of not less than four (4) feet square in surface area, comprised of lettering not less than three-quarters (3/4) of an inch in height, posted in a conspicuous place on the licensed premises and stating the following:

TO PAWN OR SELL PROPERTY:

YOU MUST BE AT LEAST 18 YEARS OF AGE  
YOU MUST BE THE TRUE OWNER OF THE PROPERTY  
THE PROPERTY MUST BE FREE OF ALL CLAIMS AND LIENS  
YOU MUST PRESENT VALID PHOTO IDENTIFICATION  
VIOLATION OF ANY OF THESE REQUIREMENTS IS A CRIME  
ALL TRANSACTIONS ARE RECORDED BY VIDEO  
ALL TRANSACTIONS ARE REPORTED TO POLICE DAILY

For the purpose of this subsection, "separate written notice" shall be deemed to mean either the receipt, as required in section 344.04(h), or a printed form, incorporating a statement to the effect that the person pawning, pledging, selling, consigning, leaving, or depositing the article is at least 18 years of age; is the true owner of the article; and that the article is free of all claims and liens. The separate written notice must be signed by the person seeking to pawn, pledge, sell, consign, leave, or deposit the article with the licensee and the notice must be kept in the files of the licensee along with the other records of the transaction.

### SECTION 3

Section 344.05 of the Saint Paul Legislative Coee is hereby amended to read as follows:

#### **Sec. 344.05. - Hours; minors.**

~~No person licensed under the terms of this chapter shall keep his office or store open for the transaction of business on any day of the week before 7:00 a.m. or after 10:00 p.m., nor shall any person licensed under the terms hereof purchase or receive personal property of any nature on deposit or pledge from any person under the age of eighteen (18), any person who appears under the influence of alcohol or controlled substance, or mentally incompetent, or property which has the serial numbers or other identifying insignia which have been destroyed, altered, covered or defaced.~~

#### **Sec. 344.05 - Prohibited Acts**

(a) Licensees. No licensee shall:

(1) Receive any goods from a person under the age of eighteen (18) years.

(2) Receive any goods from an intoxicated person or a person of unsound mind.

(3) Receive any goods from a person unless the person presents valid identification as required by section 344.04(a)(5).

- (4) Receive any item of property that possesses an altered, obliterated, or removed serial number.
- (5) Knowingly possess stolen goods without contacting and reporting such to the police.
- (6) Purchase, accept, or receive an article of property from a person knowing, or having reason to know, that the person is not the true owner of the property; nor shall the licensee purchase, accept, or receive an article of property knowing, or having reason to know, that the article is encumbered by a security interest.
- (7) Sell pledged goods before the time to redeem has expired.
- (8) Keep the business open for the transaction of business on any day of the week before 7:00 a.m. or after 10:00 p.m.
- (9) Lend money on a pledge at a rate of interest above that allowed by law.
- (10) Make any false entry in the records of pawn transactions or use any pawn ticket not meeting the requirements of this chapter.
- (11) Falsify, obliterate, destroy, or remove from the place of business, the records, books, or accounts relating to the licensee's pawn transactions.
- (12) Refuse to allow a law enforcement agency or a prosecutor to inspect the pawn records or any pawn goods in the licensee's possession during the ordinary hours of business or at other times acceptable to both parties.
- (13) Fail to maintain a record of each pawn transaction for three (3) years.
- (14) Make any agreement requiring the personal liability of a pledger or seller, or waiving any provisions of this chapter, or providing for a maturity date less than ninety (90) days after the date of pawn.
- (15) Fail to return pledged goods to a pledger or seller, or provide compensation as provided in Minn. Stat. 325J.09, upon payment of the full amount due the pawnbroker unless either the date of redemption is more than sixty (60) days past the date of the pawn transaction, renewal, or extension and the pawnbroker has sold the pledged goods, or the pledged goods have been taken into custody by a court or a law enforcement officer or agency.
- (16) Sell or lease, or agree to sell or lease, pledged or purchased goods back to the pledger or seller in the same, or a related, transaction.
- (17) Sell or otherwise charge for insurance in connection with a pawn transaction.
- (18) Remove pledged goods from the pawnshop premises or other storage place approved by a municipality at any time before the expiration of the redemption period. However, a pawnbroker is permitted to:
  - (i) return pledged goods to the borrower at any time during the redemption period,
  - (ii) sell the pledged goods or remove the pledged goods from the pawnshop premises or other storage at any time after the expiration of the redemption period, and

(iii) sell or remove purchased goods not involving a pawn transaction from the pawnshop premises or other storage facility thirty-one (31) days or later from the purchase transaction date.

(19) Fail to maintain order in the business.

(b) Patrons. No person shall:

(1) Pawn or sell or attempt to pawn or sell goods with any licensee if the person is under the age of eighteen (18) years of age.

(2) 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 when seeking to pawn, pledge, sell, consign, leave, or deposit any article of property.

(3) 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.

(4) Make false statements or representations regarding the ownership of items to be sold or pawned.

#### SECTION 4

Section 344.06 of the Saint Paul Legislative Code is hereby amended to read as follows:

##### **Sec. 344.06. -- Inspection.**

~~(a) Stolen goods, etc. Any person licensed under the provisions of this chapter shall, at all times during the term of said license, allow the inspector or officers of the police force of the City of Saint Paul to enter the premises where said licensee is carrying on such business for the purpose of inspecting such premises and inspecting the goods, wares and merchandise therein for the purpose of locating goods suspected or alleged to have been stolen or otherwise improperly disposed of.~~

~~(b) Inspection by claimed owner etc. All goods, wares or merchandise, or records of same, coming into the possession of any licensee under the terms hereof shall at all times be open to the inspection and right of examination of any person claiming to have been the owner thereof or claiming to have had any interest therein, when such person is accompanied by a police officer of the City of Saint Paul; nor shall any licensee under the terms hereof hide, conceal or stow away any article in his possession from any member of the police department of the City of Saint Paul.~~

##### **Sec. 344.06 - Penalty**

Violation of any provision of this chapter shall be a misdemeanor.

#### SECTION 5

This Ordinance shall take effect and be in force thirty (30) days following its passage, approval and

publication.