

PAWN SHOP ORDINANCE

Section 1.0: Regulation and Licensing of Pawn Brokers

1.01 Declaration of Findings and Intent.

Be it ordained and enacted by the County Board of Commissioners of the County of Pine, State of Minnesota.

Subd. 1. The Pine County Board hereby finds that the use of services provided by pawnbrokers provides an opportunity for the commission of crimes and their concealment because pawn businesses have the ability to receive and transfer property stolen by others quickly and easily. Further, the Board finds that consumer protection regulation is warranted in transactions involving pawnbrokers. The County further finds that the protection of the public welfare requires the business of a pawnbroker be licensed and regulated. In addition, the County finds that the administration and enforcement of the provisions of this section, and all other applicable law with respect to pawnbrokers, shall require substantial direct and indirect expenditures of funds by the County.

Subd. 2. The Pine County Board hereby declares that the intent of this section shall be to provide for the licensing and regulation of pawnbrokers within the County.

Subd. 3. Accordingly, the following provisions are intended to comply with the legislative authority given to municipalities to regulate pawn shop (Minn. Stat. 325J, et. seq., and its provisions) and to help the police department better regulate future pawn businesses, decrease and stabilize costs associated via the regulation of the pawn industry, and to increase identification of criminal activities in pawn industry through the timely collection and sharing of pawn transaction information through implementation of the required use of the automated pawn system (APS).

1.02 Definitions. For purposes of this section, the following words have the meanings ascribed to them in this section:

Subd. 1. Pawnshop. "Pawnshop" means the location at which or the premises in which a pawnbroker regularly conducts business.

Subd. 2. Pawnbroker. Except as provided in paragraph (b), "pawnbroker" means a person engaged in whole or in part in the business of lending money on the security of pledged goods left in pawn, or in the business of purchasing tangible personal property to be left in pawn on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

This definition includes any natural person, partnership or corporation, either as principal, or agent or employee thereof, who loans money on deposit or pledge of personal property, or other valuable thing, or who deals in the purchasing of personal property, or other valuable thing on condition of selling the same back again at a stipulated price, or who loans money secured by chattel mortgage on personal property, taking possession of the property or any part thereof so

mortgaged. To the extent that a pawnbroker's business includes buying personal property previously used, rented or leased, or selling it on consignment, the provisions of this chapter shall be applicable.

The following are exempt from the definition of "pawnbroker":

1. Any bank regulated by the State of Minnesota, the Comptroller of the Currency of the United States, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other federal or state authority and their affiliates;
2. Any bank or savings association whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation or any successor to it and all affiliates of those banks and savings associations;
3. Any state or federally chartered credit union; and any industrial loan and thrift company or regulated lender subject to licensing and regulation by the Department of Commerce.

Subd. 3. Pawn Transaction. "Pawn transaction" means any loan on the security of pledged goods or any purchase of pledged goods on the condition that the pledged goods are left with the pawnbroker and may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

Subd. 4. Person. "Person" means an individual, partnership, corporation, limited liability company, joint venture, trust, association, or any other legal entity, however organized.

Subd. 5. Pledged goods. "Pledged goods" means tangible personal property other than choses 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.

Subd. 6. Reportable transactions. Every transaction conducted by a pawnbroker in which merchandise is received through a pawn, purchase, consignment or trade, or in which a pawn is renewed, extended or redeemed, or for which a unique transaction number or identifier is generated by their point-of-sale software, or an item is 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 pawnbroker must maintain a record of such purchase or consignment which describes each item, and must mark each item in a manner which relates it to that transaction record.

2. Retail and wholesale sales of merchandise originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

Subd. 7. Billable transactions. Every reportable transaction conducted by a pawnbroker except renewals, redemptions or extensions previously reported and continuously in the licensee's possession is a billable transaction.

1.03 License Required; Number Allowed.

Subd. 1. No person shall engage in the business of pawnbroking or act as a pawnbroker or hold himself or herself out to be a pawnbroker or advertise such services within the County without first having obtained a license to do so. The license shall authorize the licensee to engage in the pawnbroking business at the premises named on the license. A separate license shall be required for each separate premises utilized for the business of the pawnbroker.

1.04 Application.

Subd. 1. Application for a pawnbroker's license shall be made to the County Auditor and shall state on the application the name of the applicant, the place of business, and the number of employees intended to be engaged in the operation of business. If the applicant shall be a corporation, partnership, association, or other organization of any kind then the names and percentage of ownership of the applicant and of each and every individual having any ownership interest in applicant shall be provided.

Subd. 2. The Pine County Sheriff or his or her designee shall investigate each applicant for the license and each individual owner or applicant if it be a corporation, partnership, association or other organization of any kind and shall report back to the County Board whether or not the applicant or its owner(s) is (are) of good character.

Subd. 3. Application Information Required.

A. Contents. An application form provided by the County must be completed by every applicant for a new license or for renewal of an existing license. Every new applicant must provide all the following information:

1. If the applicant is a natural person:
 - a. The name, place and date of birth, street resident address, and phone number of applicant.
 - b. Whether the applicant is a citizen of the United States or resident alien.
 - c. Whether the applicant has ever used or has been known by a name other than the applicant's name, and if so, the name or name used and information concerning dates and places used.
 - d. The name of the business if it is to be conducted under a designation, name, or style other than the name of the applicant and a certified copy of the certificate as required by Minnesota Statutes, Section 333.01.
 - e. The street address at which the applicant has lived during the preceding five (5) years.
 - f. The type, name and location of every business or occupation in which the applicant has been engaged during the preceding five (5) years and the name(s) and address(es) of the applicant's employer(s) and partner(s), if any, for the preceding five (5) years.
 - g. Whether the applicant has ever been convicted of a felony or violation of any statute or ordinance other than a traffic ordinance. If so, the applicant must furnish information as to the time, place, and offense of all such convictions.
 - h. The physical description of the applicant.

- i. Applicant's current personal financial statement and true copies of the applicant's federal and state tax returns for the two (2) years preceding the application but only upon request by the Pine County Sheriff and/or the Pine County Board.
- j. If the applicant does not manage the business, the name of the manager(s) or other person(s) in charge of the business and all information concerning each of them required in a. through h. of subdivision (1) of this section.

2. If the applicant is a partnership:

- a. The name(s) and address(es) of all general and limited partners and all information concerning each general partner required in subdivision (1) of this section.
- b. The name(s) of the managing partner(s) and the interest of each partner in the licensed business.
- c. A copy of the partnership agreement under which the partnership is operating shall be submitted with the application. If the partnership is required to file a certificate as to a trade name pursuant to Minnesota Statutes, Section 333.01, a certified copy of such certificate must be attached to the application.
- d. A true copy of the federal and state tax returns for partnership for the two (2) years preceding the application but only upon request by the Pine County Sheriff and/or Pine County Board.
- e. If the applicant does not manage the business, the name of the manager(s) or other person(s) in charge of the business and all information concerning each of them required in a. through h. of subdivision (1) of this section.

3. If the applicant is a corporation or other organization:

- a. The name of the corporation or business form, and if incorporated, the state of incorporation.
- b. A true copy of the Certificate of Incorporation, Articles of Incorporation or Association Agreement, and By-laws shall be attached to the application. If the applicant is a foreign corporation, a Certificate of Authority as required by Minnesota Statutes, Section 303.06, must be attached.
- c. The name of the manager(s) or other person(s) in charge of the business and all information concerning each manager, proprietor, or agent required in a. through h. of subdivision (1) of this section.
- d. A list of all persons who control or own an interest in excess of five (5) percent in such organization or business form or who are officers of the corporation or business form and all information concerning said persons required in subdivision (1) above. This subdivision (d), however, shall not apply to a corporation whose stock is publicly traded on a stock exchange and is applying for a license to be owned and operated by it.

4. For all applicants they must additionally indicate:

- a. Whether the applicant holds a current pawnbroker, precious metal dealer or second-hand goods dealer license from any other governmental unit.
- b. Whether the applicant has previously been denied, or had revoked or suspended, a pawnbroker, precious metal dealer, or secondhand dealer license from any other governmental unit.
- c. The location of the proposed business premises.
- d. If the applicant does not own the business premises, a copy of the executed lease or rental agreement pertaining to the proposed business premises.
- e. The legal description of the premises to be licensed.
- f. Whether all real estate and personal property taxes that are due and payable for the premises to be licensed have been paid, and if not paid, the years and amounts that are unpaid.
- g. Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application must be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed.
- h. Such other information as the County issuing authority may require.

B. New Manager. When a licensee places a manager in charge of a business, or if the named manager(s) in charge of a licensed business changes, the licensee must complete and submit the appropriate application, on forms provided by the County within fourteen (14) days. The application must include all appropriate information required in Section 4.

1. 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 chapter. If the investigation process is conducted solely within the State of Minnesota, the fee shall be one hundred dollars (\$100.00). If the investigation is conducted outside the State of Minnesota, the issuing authority may recover the actual investigation costs not exceeding two thousand five hundred dollars (\$2,500.00).

C. Application execution. All applications for a license under this chapter must be signed and sworn to under oath or affirmation by the applicant. If the application is that of a natural person, it must be signed and sworn to by such person; if that of a corporation, by an officer thereof; if that of a partnership, by one of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof.

D. Investigation. The Sheriff's Department must investigate into the truthfulness of the statements set forth in the application and shall endorse the findings thereon. The applicant must furnish to the Sheriff's Department such evidence as the inspector may reasonably require in support of the statements set forth in the application.

E. Public Hearing. The Pine County Board member representing the area in which the proposed business would be located may request a public hearing before the Board at a regularly scheduled Board Meeting.

F. Persons ineligible for a license. No licenses under this chapter will be issued to a partnership if such applicant has any general partner or managing partner, a corporation or other organization if such applicant has any manager, proprietor or agent in charge of the business to be licensed, if the applicant:

1. Is a minor at the time that the application is filed;
2. Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes, Section 364.03, Subd. 2, and has not shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a licensee under this chapter as prescribed by Minnesota Statutes, Section 364.03, Subd. 3; or;
3. Is not of good moral character or repute.

1.05 Fees.

Subd. 1. License Fee. The annual fee for a license shall be One Hundred Dollars (\$100) or at such amount as adopted from time to time by the Pine County Board and this fee shall be payable in advance and no license shall be issued until a fee shall be paid. The license fee shall be payable annually in accordance with procedures established by the Pine County Board. License fees shall be waived until January 1, 2011.

Subd. 2. Duration. All licenses issued hereunder expire on the 1st day of January of each year. If the license period is for less than one year, the fee to be paid by the applicant shall not be pro rated. The payment of the fee in installments shall not be allowed.

Subd. 3. Investigative. An applicant for a new license under this chapter, or for the renewal of an existing license that is more than six (6) months past due, shall deposit five hundred dollars (\$500.00) with the Sheriff's Department at the time an original application is submitted to cover the costs involved in verifying the license application and to cover the expense of any investigation needed to assure compliance with this chapter. If the investigation is conducted outside the State of Minnesota, the issuing authority may recover the actual investigation costs not exceeding two thousand five hundred dollars (\$2,500.00).

Subd. 4. Billable Transaction License Fee.

1. The billable transaction license fee shall reflect the cost of processing transactions from the respective classifications and other related regulatory expenses as determined by the Pine County Board. The transfer fee shall be set at \$1 per transaction.
2. The billable transaction license fee shall be reviewed and adjusted as necessary, at least every six (6) months. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented. The billable transaction fee for modem transactions shall not exceed the billable transaction fee for manual transactions.
3. Billable transaction fees shall be automatically remitted monthly and are due and payable within thirty (30) days. Failure to do so is a violation of this chapter.

1.06 Bond and Workers Compensation Certificate.

Subd. 1. Every applicant for a license to be issued under this section shall provide with his or her application a bond in the sum of \$5,000, by a corporate surety authorized to do business in this state, conditioned upon observance of and compliance with the conditions and provisions of this section. The bond shall be for the benefit of the County or any person who shall suffer damage through the act of the pawnbroker. The bond shall have the same term as the license, which the applicant is seeking and is conditioned that the principal will observe all laws in relation to pawnbrokers and will conduct business in conformity thereto, and that the principal will account for and deliver to any person legally entitled goods which have come into the principal's hands through the principal's business as a pawnbroker, or in lieu thereof, will pay the presumable value in money to the person.

Subd. 2. Every applicant for a license to be issued under this section shall provide with his or her application a certificate evidencing that applicant has in force and effect workers compensation insurance required under the laws of the state or that the insurance shall not be required to be maintained by applicant.

1.07 Payment of Taxes and Other Charges. No license shall be granted under this section for the operation on any premises, on which real estate taxes, assessments or other financial claims of the County are delinquent and unpaid.

1.08 Qualifications of Licensee.

Subd. 1. No license shall be issued to an applicant if the individual applicant or any individual owner of an applicant that is a corporation, partnership, association or other organization of any type shall have been previously convicted of a misdemeanor, gross misdemeanor or felony. Provided, however, that the applicant may apply to the County Board for a waiver of this provision in the case of misdemeanor convictions. The County Board may, in its discretion, grant the waiver for misdemeanor convictions upon demonstration by the applicant that the conviction does not bear a substantial relationship to the character or ability of the applicant to conduct the business of pawnbroker consistent with the provisions of this section and all other applicable laws; or if there is a relationship that the applicant is sufficiently rehabilitated pursuant to M.S. §364.03, as it may be amended from time to time.

Subd. 2. No person ineligible under M.S. §325D .03, as it may be amended from time to time, shall be granted a license.

Subd. 3. No person who is a minor at the time of the application shall be granted a license.

Subd. 4. No person who is not of good moral character or repute shall be granted a license.

1.09 Records Required. At the time of any reportable transaction other than renewals, extensions or redemptions, every licensee must immediately record in English on a pawn ticket the following information by using ink or other indelible medium on forms or in a computerized record approved by the Pine County Sheriff.

1. A complete and accurate description of each item including, but not limited to any trade-mark, identification number, serial number, model number, brand name, or other identifying mark on such an item.
2. The purchase price, amount of money loaned upon, or pledged therefore.
3. The maturity date of the transaction and the amount due, including monthly and annual interest rates and all pawn fees and charges,
4. Date, time and place 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.
5. Full name, residence address, residence telephone number, date of birth and accurate description of the person from whom the item of property was received, including: sex, height, weight, race, color of eyes and color of hair.
6. 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 another recognized Federal or State governmental entity or province of Canada.
7. The signature of the person identified in the transaction.
8. The monthly annual interest rates, including all pawn fees and charges.
9. Effective sixty (60) days from the date of notification by the Pine County Sheriff of acceptable video standards, but no sooner than October 1, 2009, 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 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 Sheriff, or his/her designee, upon request. 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. The licensee must inform the person that he or she is being photographed by displaying a sign of sufficient size in a conspicuous place in the premises. 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 dates so they can be readily matched and correlated with all other records of the transaction to which they relate. The licensee must inform the person that he or she is being videotaped orally and by displaying a sign of sufficient size in a conspicuous place on the premises. The licensee must keep the exposed videotape for three (3) months.

A passive video system may be used in place of a digital photograph. All passive video surveillance must be kept for a minimum of ninety (90) days.

10. Digitized photographs. Effective sixty (60) days from the date of notification by the law enforcement license inspector, but no sooner than October 1, 2009, licensees must meet the photograph requirement above 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. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in subdivision (8).

11. 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.

12. Inspection of records. The records must at all reasonable times be open to inspection by the Sheriff's Department or department of licenses and consumer services. Data entries shall be retained for at least three (3) years from the date of transaction. Entries of required digital images shall be retained a minimum of ninety (90) days.

1.10 Printed Pawn Ticket Requirements.

Subd. 1. The following shall be printed on all pawn tickets:

1. The statement that "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 sixty (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 that "The pledgor of this item attests that it is not stolen, it has no liens or encumbrances against it, and the pledgor has the right to sell or pawn the item."

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

4. A blank line for the pledgor's signature. Signed pawn tickets conforming with the requirements of M.S. §325J.04 (2) as it may be amended from time to time, shall be issued to the pledger and a copy retained by the pawnbroker.

1.11. Daily Reports to Police.

Subd. 1. Effective no later than sixty (60) days after the Sheriff's Department provides licensees with the current version of the Automated Pawn Systems Interchange File Specification, but no sooner than October 1, 2009; licensees must submit every reportable department daily in the following manner:

1. Licensees must provide to the Sheriff's Department all reportable transaction information by transferring it from their computer to the Automated Pawn System via modem using the current version of the Automated Pawn System Interchange File Specification. All required records must be transmitted completely and accurately after the close of business each day in accordance with standards and procedures established by the issuing authority. Any transaction that does not meet the Automated Pawn System Interchange File Specification must be corrected and resubmitted the next business day. The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs patrons that all transactions are reported to the police department daily.

Subd. 2. 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 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 continue to provide the required reports as detailed in section 9(b)(1), and may be charged a fifty dollar (\$50.00) reporting failure penalty, daily, until the error is corrected; or

3. If the problem is determined to be outside the licensee's system, the licensee must continue to provide the required reports in Section 11 (b)(1) 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 in Section 9, the licensee must immediately take all required photographs with a still camera, cross-reference the photographs to the correct transaction, and make the pictures available to the Sheriff's Department 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 has existed. Section 11 (b) (1) through (3) notwithstanding, the police department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty.

6. Section 11(b)(1) through (3) notwithstanding, the Sheriff's Department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty.

1.12 Receipt Required

Subd. 1. 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 licensee received the item;
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 such an item;
5. The signature or unique identifier of the licensee or employee that conducted the transaction;
6. The amount advanced or paid;
7. The monthly and annual interest rates, including all pawn fees and charges;
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 full name, residence address, residence telephone number, and date of birth of the pledger 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 driver's license or identification card issued by another state or province of Canada.

11. Description of the pledger or seller including approximate height, weight, race, sex, color of eyes and color of hair.

12. The signature of the pledger or seller.

13. All printed statements as required by M.S. § 325J.04, Subd. 2 or any other applicable statutes.

1.13 Redemption Period.

Subd. 1. Any person pledging, pawning or depositing an item for security must have a minimum of sixty (60) days from the date of that transaction to redeem the item before it may be forfeited and sold. During the sixty (60) day holding period, items may not be removed from the licensed location except as otherwise in Section 19. Licensees are prohibited from redeeming any item to anyone other than the person to whom the receipt was issued or, to any person identified in a written and notarized authorization to redeem the property identified in the receipt, or to a person identified in writing by the pledger at the time of the initial transaction and signed by the pledger, or with approval of the police license inspector. Written authorization for release of property to persons other than original pledger must be maintained along with original transaction record in accordance with section 9. A pawn transaction that involves holding only the title to property is subject to M.S. §§168A and 336.

1.14 Holding Period.

Subd 1. Any item purchased by a licensee must not be sold or otherwise transferred for thirty (30) days from the date of the transaction. An individual may redeem an item seventy-two (72) hours after the item was received on deposit, excluding Sundays and legal holidays.

Firearms are not subject to the 30 day holding period. Alcohol, Tobacco and Firearms (ATF) mandatory record keeping requirements provide law enforcement with the ability to locate purchasers and locate stolen firearms.

1.15 Police Order to Hold Property.

Subd. 1. Investigative hold. Whenever a law enforcement official from any agency notifies a licensee 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 seventy-two (72) hours and will remain in effect for fifteen (15) days from the date of initial notification, or until the investigative order is canceled, or until an order to hold/confiscate is issued, whichever comes first.

Subd. 2. Order to Hold. Whenever the Sheriff or his/her designee, 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 Sheriff or his/her designee. The order to hold shall expire ninety (90) days from the date it is placed unless the Sheriff or his/her designee determines the hold is still necessary and notifies the licensee in writing.

Subd. 3. Order to Confiscate. If an item is identified as stolen or is evidence in a criminal case, the Sheriff or his/her designee may:

1. Physically confiscate and remove it from the shop, pursuant to a written order from the Sheriff or his/her designee, or
2. Place the item on hold or extend the hold as provided herein and leave it in the shop.

When an item is confiscated, the person doing so shall provide identification upon request of the licensee, and shall provide the licensee the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation,

When an order to hold/confiscate is no longer necessary, the Sheriff or his/her designee shall so notify the licensee.

1.16 Inspection of Items.

Subd. 1. At all times during the terms of the license, the licensee must allow the Sheriff or his/her designee(s) to enter the premises where the licensed business is located, including all off-site storage facilities as authorized herein, during normal business hours, except in an emergency, for the purpose of inspecting such premises and inspecting the items, wares and merchandise and records therein to verify compliance with this chapter or other applicable laws.

1.17 Label Required.

Subd. 1. 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 Sheriff's 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.

1.18 Denial, Suspension, or Revocation.

Subd. 1. Any license under this chapter may be denied, suspended for up to sixty (60) days or revoked for good cause shown at a regular or special meeting of the County Board on five (5) days written notice for one or more of the following reasons:

1. The proposed use does not comply with the County Zoning Code.
2. The proposed use does not comply with any health, building, building maintenance or other provisions of this Code of Ordinances, federal or state law.

3. The applicant or licensee has failed to comply with one or more provisions of this chapter.

4. The applicant is not a citizen of the United States or a resident alien, or upon whom it is impractical or impossible to conduct a background or financial investigation due to the unavailability of information.

5. Fraud, misrepresentation or bribery in securing or renewing a license.

6. Fraud, misrepresentation or false statements made in the application and investigation for, or in the course of the applicant's business.

7. Violation within the preceding five (5) years, of any law relating to theft, damage or trespass to property, sale of a controlled substance or operation of a business.

8. The owner of the premises licensed or to be licensed would not qualify for a licensee under the terms of this chapter.

Subd. 2. For the purposes of this section, "good cause" shall include, but shall not be limited to:

1. Conviction of pawnbroker, any of its owners, or any of his or her employees of any crime relating to the operation of a pawnbroking business;

2. Violation by the pawnbroker, any of its owners, or his or her employees of any of the provisions of this section or any other Code or Ordinance or statute relating to the operation of a pawnbroking business;

3. Failure to cooperate fully with any lawful police investigation;

4. Falsely stating any material fact on the license application; and

5. Submitting a false or incomplete record to the police.

1.19 Business at Only One Place/Location.

Subd. 1. A license under this chapter authorizes the licensee to carry on its business only at the permanent place of business designated in 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 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 the city code.

Subd. 2. 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.

Subd. 3. Consistent with M.S. §325J.10 no new pawnshop shall be located within ten (10) driving miles of any gambling casino. However, if the pawnshop was lawfully operating as of April 2, 1996, that existing business shall not be required to relocate or close as a result of this section and if it chooses or is required to relocate, the business must obtain the prior approval and consent of the County.

1.20 Pawnbroker Permitted Charges.

Subd. 1. Notwithstanding any other statute, ordinance, rule, regulation or section herein, a pawnbroker may contract for and receive a pawnshop charge not to exceed three (3) percent per month of the principal amount advanced in the pawn transaction plus a reasonable fee for storage and services. A fee for storage and services may not exceed \$20.00 if the property is not in the possession of the pawnbroker.

Subd. 2. The pawnshop charge allowed under paragraph (1) above 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 date, the pawnbroker shall remit one-half of the pawnshop charge for that month to the pledgor.

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

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

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

1.21 Prohibited Acts.

Subd. 1. A pawnbroker and any clerk, agent, or employee of a pawnbroker shall not:

1. Make any false entry in the records of pawn transactions;
2. Falsify, obliterate, destroy, or remove from the place of business the records, books, or accounts relating to the licensee's pawn transactions;
3. Refuse to allow the appropriate law enforcement agency, the attorney general, or any other duly authorized state or federal law enforcement officer to inspect the pawn records or any pawn goods in the person's possession during the ordinary hours of business or other times acceptable to both parties;
4. Fail to maintain a record of each pawn transaction for three (3) years;
5. Accept a pledge or purchase property from a person under the age of 18 years;

6. Make any agreement requiring the personal liability of a pledgor or seller, or waiving any provision of this section, or providing for a maturity date less than sixty (60) days after the date of the pawn transaction;

7. Fail to return pledged goods to a pledgor or seller, or provide compensation as set forth in Section 22 herein, upon payment in full of the 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 pursuant to section 13 and the appropriate provisions of this ordinance, or the pledged goods have been taken into custody by a court or a law enforcement officer or agency;

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

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

10. Remove pledged goods from the pawnshop premises or other storage place approved by a municipality at any time before unredeemed, pledged goods are sold pursuant to this ordinance;

11. No licensee may receive any goods from a person of unsound mind or an intoxicated person;

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

13. No licensee may receive any item of property that possesses an altered or obliterated serial number or operation identification number or any item of property that has had its serial number removed,

14. 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;

15. 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.

1.22 Redemption; Risk of Loss.

Subd. 1. 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, the pawnbroker shall compensate the pledgor, in cash or replacement of goods acceptable to pledgor, for the fair market value of the lost or damaged goods. Proof of compensation shall be a defense to any prosecution or civil action.

Subd. 2. Any person pledging or pawning any article with any pawnbroker shall have sixty (60) days from the date of the pawn transaction, renewal, or extension to redeem the same before the pledge or pawn becomes forfeited.

Subd. 3. Sale of Property.

1. No personal property deposited with or purchased by any pawnbroker under this section shall be sold or permitted to be redeemed from the place of business of the pawnbroker until 48 hours after compliance with this section, except upon written permission from the Sheriff or his/her designee.

2. Whenever the Sheriff or his/her designee shall notify the pawnbroker not to sell or permit to be redeemed any property purchased, received or deposited, the property shall not be sold or permitted to be redeemed, except with the written consent of the Sheriff.

1.23 Motor Vehicle Title Pawn Transactions; Special Provisions.

Subd. 1. In addition to the other requirements of this chapter, a pawnbroker who holds a title to a motor vehicle as part of a pawn transaction shall:

1. Be licensed as a used motor vehicle dealer under M.S. §168.27, and post such license on the pawnshop premises;

2. Verify that there are no liens or encumbrances against the motor vehicle with the Department of Public Safety;

3. Verify that the pledgor has automobile insurance on the motor vehicle as required by law.

Subd. 2. A pawnbroker may not sell a motor vehicle covered by a pawn transaction until 90 days after recovery of the motor vehicle.

Subd. 3. The pawn of any motor vehicle shall conform with the requirements of M.S. §325J.095, as it may be amended from time to time.