

CHAPTER V. BUSINESS LICENSES AND REGULATIONS

ARTICLE 1B. PAWNBROKERS AND PRECIOUS METALS DEALERS

SECTIONS

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5-1B01. LICENSE REQUIRED. No person shall engage or continue in business as a pawnbroker or precious metals dealer without first obtaining a license therefor. The person shall obtain such license from the City Clerk.

(Ord. 2458C; 08-16-10)

5-1B02. APPLICATION FOR LICENSE.

(a) An application for a license shall be in writing and shall state the full name and place of residence of the applicant. If the applicant is a partnership, the application shall contain the name and place of residence of each member thereof, or if a corporation or association, of each officer, shareholder or member thereof. The application shall include the addresses of the places where the business is to be conducted, the hours and days of the week during which the applicant proposes to engage in the business of pawnbroking or dealing in precious metals at each such place and such other information as may be necessary to determine the applicant's qualifications for a license in accordance with the provisions of this Chapter. Each applicant shall also submit with the application:

1.. A statement that the applicant is the holder of a valid registration certificate issued by the State Director of Taxation pursuant to K.S.A. 79-3608, as amended, for each place of business for which an application for a license is made.

2. A detailed inventory and description of all goods, wares, merchandise, precious metals or other property held in pledge or for sale at the time of the application at each place of business stated therein, indicating whether the same was received in pledge, purchased as secondhand merchandise or precious metal purchased for resale.
- (b) Each application shall be accompanied by a fee as set forth by resolution or ordinance or as otherwise permitted which shall be paid annually upon renewal of the license. All such fees received by the City Clerk shall be deposited in the City General Fund.
- (c) The license application shall be in the form approved by the Attorney General.

(Ord. 2458C; 08-16-10)

5-1B03. RESTRICTIONS ON ISSUANCE OF LICENSE.

- (a) No license shall be granted to the following persons:
1. Any person who is not a citizen of the United States.
 2. Any person who has not been an actual resident of the State for at least two (2) years immediately preceding the date of his application.
 3. Any person who has been convicted of or has pleaded guilty to a felony under the laws of this State or any other state of the United States or shall have forfeited his bond to appear in court to answer charges for any such offense within the ten (10) years immediately prior to such person's application for the license.
 4. Any person who has had his license revoked for cause under the provisions of this Chapter or any provision of State law relating to pawnbrokers.
 5. Any person who is not at least twenty one (21) years of age.
 6. Any person who, at the time of application for renewal of any license issued hereunder, would not be eligible for such a license upon a first application.
 7. Any person who does not own the premises for which a license is sought, unless he has a written lease therefor for at least three-fourths (3/4) of the period for which the license should be issued.
 8. Any person whose spouse would be ineligible to receive a license hereunder for any reason other than age, citizenship and residence requirements.
 9. Any partnership, unless all the partners shall be eligible to receive a license as an individual.
 10. A corporation, if any officer, manager, director or stockholder would be ineligible to receive a license as an individual.

(Ord. 2458C; 08-16-10)

5-1B04. CONTENTS OF LICENSE; POSTING; NONTRANSFERABILITY.

The document or other instrument evidencing the license of a pawnbroker or precious metals dealer shall state the address at which the business is to be conducted and shall state fully the name of the licensee. If the licensee is a partnership, the license shall state the names of the members thereof and if a corporation, the date and place of the incorporation and the names of all the shareholders thereof. Such license shall be kept conspicuously posted in the place of business of the licensee, and it is not transferable or assignable.

(Ord. 2458C; 08-16-10)

5-1B05. RECORDS AND ACCOUNTS.

- (a) Each licensee shall keep and use in the licensee's business such books, accounts, records and files as will enable the City to determine whether such licensee is complying with the provisions of this Chapter. During the licensee's regular business hours, the Police Chief or his/her designee may examine or cause to be examined such books, accounts, records and files used by any licensee or by any other person engaged in the business of pawnbroking or dealing in precious metals, irrespective of whether such person acts or claims to act as principal, agent or broker or under or without authority of this Chapter.
- (b) The Police Chief or his/her designee shall have and be given free access, during the licensee's regular business hours, to all such books, accounts, records and files. Further, the Police Chief or his/her designee shall have and be given free access to all safes and vaults on the licensee's place of business which are used to store such books, accounts, records and files.

(Ord. 2458C; 08-16-10)

5-1B06. RECORD BOOKS.

- (a) Pawnbrokers: At the time of making a loan, a pawnbroker shall enter in a book kept for that purpose:
 - 1. The date, duration, amount and charges of every loan made by the pawnbroker.
 - 2. A full and accurate description of the property pledged.
 - 3. The name, date of birth, residence and driver's license or other personal identification number of the pledgor.
- (b) Precious Metals Dealers: At the time of purchasing precious metal, a precious metals dealer shall enter in a book kept for that purpose:
 - 1. The date of the purchase.
 - 2. A fully detailed and accurate description of each item purchased, including any identifying letters, numbers or marks on the item.
 - 3. The name, date of birth, residence and driver's license number of the seller.

- (c) Time Period for Keeping Books: The records required by this Section shall be maintained in a clearly legible manner by the pawnbroker or precious metals dealer at the pawnbroker's or dealer's place of business for not less than one year following the date of the transaction.

(Ord. 2458C; 08-16-10)

5-1B07. REPORTS REQUIRED.

On or before Tuesday of each week, every pawnbroker or precious metals dealer shall report, in detail, the description of all properties received in pledge or purchased as a pawnbroker or precious metals dealer during the preceding calendar week and whatever quantity received. Such report shall include all property purchased as secondhand merchandise at wholesale, secondhand merchandise taken in for sale or possessed on consignment for sale and secondhand merchandise taken in trade. No such report need be made concerning property or merchandise acquired from another pawnbroker or precious metals dealer licensed in this State in a transaction involving the purchase or other acquisition from the other pawnbroker or precious metals dealer of the other pawnbroker's or dealer's stock in trade or a substantial part thereof in bulk, where the other pawnbroker or dealer has made the reports required by this Section with respect to such property or merchandise. Such report shall be submitted with an electronic copy in a form acceptable to the Police Department, to the Police Chief or his/her designee. All reports required to be submitted pursuant to this Section shall contain the following information:

1. Date of purchase.
2. Name, date of birth, residence and driver's license number of the seller.
3. A clearly legible, detailed and accurate description of each item purchased. Such description shall include, but not be limited to, the following information:
 - (i) Type of precious metal purchased.
 - (ii) Weight of the metal, in either pennyweight, grams or ounces.
 - (iii) A description of any precious stones contained within the item purchased, including type of stone, carat size and color.
 - (iv) Any identifying letters, numbers, marks or writing on the item.
 - (v) Size of any ring purchased.
 - (vi) Any brand names or pattern names.

Reports made pursuant to this Section shall be available for inspection only by law enforcement officers, District and City Attorneys and their employees for law enforcement purposes.

(Ord. 2458C; 08-16-10)

5-1B08.

HOLDING PERIOD.

Every precious metals dealer shall retain in the dealer's possession for a period of ten (10) days all precious metals purchased as a precious metals dealer, and such metals shall remain in the condition in which they were purchased. The ten (10) day period shall commence on the date the Police Chief or his/her designee receives the report of their acquisition in compliance with this Article. If the Police Chief or his/her designee has probable cause to believe that any precious metal reported by a dealer has been stolen, the Police Chief or designee may give written notice to the dealer to retain such metal for an additional period of fifteen (15) days. Upon such notice, the dealer shall retain such metal in an unaltered condition for the additional fifteen (15) day period, unless the Police Chief or designee notifies the dealer, in writing, that the waiting period is terminated at an earlier time.

(Ord. 2458C; 08-16-10)

5-1B09.

PROHIBITED PURCHASES.

- (a) Purchases From Intoxicated Persons; Stolen Property: No pawnbroker or precious metals dealer or any person employed by or acting for him shall purchase, take or receive any article of property of or from any intoxicated person or any stolen property or property which, from any cause, he may have reason to believe or suspect cannot be lawfully sold by the person offering it. If purchases are made, and at a later date, the pawnbroker or precious metals dealer discovers that the purchased merchandise has been stolen, it shall be unlawful for the pawnbroker or precious metals dealer not to report this immediately to the Police Department.
- (b) Purchases From Minors:
1. Pawnbrokers: No pawnbroker shall receive in pledge or as security for any loan, transfer, service, undertaking or advantage anything of value from any person under the age of eighteen (18) years.
 2. Precious Metals Dealers: No precious metals dealer shall purchase any precious metal from any person under the age of eighteen (18) years.

(Ord. 2458C; 08-16-10)

5-1B10.

PROOF OF IDENTIFICATION AND OWNERSHIP.

- (a) A precious metals dealer shall require of every person from whom the dealer purchases metals for resale:
1. Proof of identification
- (b) A signed statement saying that the seller is the legal owner of the precious metal or is an agent of the legal owner who is authorized to sell such metal, stating when, where and in what manner such metal was acquired by the seller.

(Ord. 2458C; 08-16-10)

5-1B11. PENALTY AND REVOCATION.

- (a) Violation of any of the provisions of this Chapter shall be a public offense and shall be subject to the penalties and fines set forth in Section 1-122 of this Code.
- (b) Any permit issued pursuant to this Chapter shall be revoked for the violation of any provision of this Chapter or any applicable local, state or federal law, statute, ordinance, rule or regulation. If the underlying zoning approval upon which a license is based is revoked or otherwise terminated, the license shall also be simultaneously revoked.
- (c) The City Clerk before revoking any license shall give the licensee at least ten (10) days written notice of the basis for the revocation and the opportunity for a hearing before the City Administrator at which time the licensee may present evidence bearing upon the question. The City Administrator may uphold the revocation; rescind the revocation; and if applicable, specify certain conditions and stipulations associated therewith. All revocations affirmed by the City Administrator may be appealed to the Governing Body upon written notice of appeal, filed with the City Clerk, within ten (10) days of receipt of the notice of revocation.

(Ord. 2458C; 08-16-10)

5-1B12. DEFINITIONS. When used in this Chapter, the following words and terms shall have the meanings ascribed to them in this Section:

- (a) **PAWNBROKER:** Any person who loans money on deposit or pledge of personal property or other valuable thing other than intangible personal property or who deals in the purchase of personal property on the condition of selling the same back again at a stipulated price, but such term shall not include any person operating under the supervision of the State Banking Commissioner, Credit Union Administrator or the Consumer Credit Commissioner of the State.
- (b) **PRECIOUS METALS:** Gold, silver or platinum group metals or any used articles or other used personal property containing such metals, but shall not include coins purchased for their numismatic value rather than their metal content or ingots or other industrial residue or by-products composed of such metals purchased from manufacturing firms.
- (c) **PRECIOUS METALS DEALER:** Any person who engages in the business of purchasing precious metals for the purpose of reselling such metals in any form.

(Ord. 2458C; 08-16-10)