

COMPARED VERSION
NEW ORDINANCE TO CODE BOOKS

ORDINANCE NO. 150605

Amending Chapter 54, Code of Ordinances, by repealing Sections 54-31 and 54-33 relating to pawn shops and enacting in lieu thereof two new sections of like number and subject.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 54, Code of Ordinances of the City of Kansas City, Missouri, is hereby amended by repealing Sections 54-31 and 54-33 relating to pawn shops and enacting in lieu thereof two new sections of like number and subject, to read as follows:

Sec. 54-31. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Chief of police means the chief of police or his or her designee.

Digital video system means an electronic device or application software that records video in a digital format to a disk drive, universal serial bus (USB) flash drive, secure digital (SD) memory card, solid state drive (SSD) or other local or networked mass storage device.

Director of finance means the director of the finance department of the city or his or her designee.

Net assets means the book value of the current assets of a person or pawnbroker less its applicable liabilities as stated in this subsection. Current assets include the investment made in cash, bank deposits, merchandise inventory and loans due from customers excluding the pawn service charge. Current assets do not include the investments made in fixed assets of real estate, furniture, fixtures or equipment; investments made in stocks, bonds or other securities; or investments made in prepaid expenses or other general intangibles. Applicable liabilities include trade or other accounts payable; accrued sales, income or other taxes; accrued expenses; and notes or other payables that are unsecured in whole or part by current assets. Applicable liabilities do not include liabilities secured by assets other than current assets. Net assets must be represented by a capital investment unencumbered by any liens or other encumbrances to be subject to the claims of general creditors.

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Pawnbroker means any person engaged in the business of lending money on the security of pledged goods or engaged in the business of purchasing tangible personal property on condition that it may be redeemed or repurchased within a fixed period of time.

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

~~*Person of good moral character* means a person who has not been convicted of any state, federal or municipal offense involving drugs or narcotics, robbery, burglary, theft, stealing, receiving stolen property, embezzlement, extortion, forgery, gambling, bribery, perjury, any weapons offense, or crime of violence within the last five years, or a person who is not currently on probation or parole or was not on probation or parole within the last five (5) years for any state or federal offense involving drugs or narcotics, robbery, burglary, theft, stealing, receiving stolen property, embezzlement, extortion, forgery, gambling, bribery, perjury, any weapons offense, or crime of violence.~~
Person of good moral character means a person who has not within the last five years been convicted of, or incarcerated for, a felony under the laws of any state or the United States.

Sec. 54-33. - Application for license; conduct of business.

Every applicant for a pawnbroker's license shall complete and submit to the chief of police an application on a form to be provided by the chief of police. The application shall indicate compliance with the following requirements:

- (1) The owner, operator and employees of the pawnshop shall be persons of good moral character as defined in this chapter. The list of employees shall be updated by the licensee upon any change in employees.
- (2) The applicant shall enter into a bond to the use of the city, the state and any person who may have a cause of action against the obligor of such bond under chapter 367, RSMo-ch. 367, or this article, with two or more good and sufficient sureties who are qualified to do business in this state, to be approved by the director of finance and the city attorney, in the penal sum of \$5,000.00, conditioned that the applicant will faithfully observe all laws, ordinances, regulations and requirements of the city and the state in relation to pawnbrokers or their businesses, and will pay all costs, fines and penalties incurred on account of his or her failure or neglect in that behalf, and will pay all damages resulting to the city or the state or to any person by reason of his or her wrongfully purchasing, taking or receiving in pledge or on deposit any stolen property, or the property of any minor. Such bond shall be filed with the director of finance, and may be sued upon by any person damaged, as provided in this subsection, in the name of the city, to the use of such person. In no event shall the city or state be liable for any costs in such suit.

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- (3) The application shall provide the form of the pledgee's ticket to be used by the pawnshop, which form shall be in conformance with ~~RSM~~section 367.031, RSMo. Every pawnbroker shall give, to the person negotiating or leaving property with him or her, a plainly written or printed ticket having upon it a full and perfect copy of all the entries required by subsection (6) of this section to be kept in the register, for which copy no charge shall be made.
- (4) A pawnbroker shall require of every person from whom the pawnbroker receives sold or pledged property proof of identification which includes a current address and telephone number and a current picture identification issued by a state or the federal government. If any seller fails to provide a pawnbroker with proof of identification, the pawnbroker shall hold such property for a period of 30 days prior to selling or otherwise transferring such property, provided, the seller has submitted a signed statement that the seller is the legal owner of the property and stating when or from whom such property was acquired by the seller.
- (5) No pawnshop shall be open for business or receive as pawned, pledged or purchased, on any condition whatsoever, any article of personal property or other valuable thing, between the hours of 8:00 p.m. on any day and 7:00 a.m. ~~on the following day; provided, however, that any person engaged in the business of pawnbroking may be permitted to keep open such business on Saturday of each week and on the first 24 days of December, except Sundays, on which days it shall be lawful to conduct and carry on such business between the hours of 7:00 a.m. and 10:00 p.m. No such place of business, or any place or room, a portion of which is used for the conduct of pawnbroking business, shall be open for business on Sundays or on New Year's Day, Birthday of Martin Luther King, Jr., Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas. on the following day.~~
- (6) Every pawnbroker shall make daily computer entries in a third party database established pursuant to ~~RSM~~section 367.031, RSMo, and approved by the chief of police and keep records at his or her place of business with detailed descriptions of the property, to include, but not be limited to, make, model, serial number, color, appropriate carat weight, gold content, number and description of stones and engraving or unique identifying characteristics of all property taken, purchased or received, including any number that may be in or upon any article, together with the time and a complete description of the person leaving or selling the property, giving his or her name, date of birth, ~~nationality~~ethnicity, sex, color of eyes and hair, height, weight, ~~sears, tattoos~~ or other significant or identifying physical characteristics, driver's license number, military identification number, home telephone number, identification certificate number or other official number capable of identifying the person, and

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place of residence, including street and number, and a signed document from the seller providing that the seller has the right to sell the property. The amount lent shall also be entered together with the interest charged and the time when the loan falls due. Such entries shall be made within one hour after the receipt or purchase of the property. Every entry shall not, in any manner, be erased, obliterated or defaced.

- (7) Every pawnbroker shall maintain a retrievable electronic database and a digital video recording system. All pawnbroker transactions shall be recorded by a digital video recording system that captures a clear image of the seller's face with the item that is being pawned or sold and the time and date of the transaction. The digital video recorder shall be operational and recording during normal business hours and the digital video recording shall be maintained for a minimum of sixty (60) days.
- (8) The register and digital video recording provided for in this section shall at all times be kept open to the inspection of the sheriff of the county in which the pawnshop is located, or his or her deputy, any officer of the police force of the city, the city attorney or such attorney's designee, the prosecuting attorney of the county in which the pawnshop is located or such attorney's designee, and anyone authorized in writing for that purpose by the chief of police. Every pawnbroker shall also, upon request, show and exhibit to any such person or officer for inspection any article purchased, taken or received by him or her.
- (9) No pawnbroker shall purchase, take or receive in pledge or deposit any article or property of or from a person under 18 years of age or owned by any person under 18 years of age, or any stolen property or property which, from any cause, he or she may have reason to believe or suspect cannot be lawfully or rightfully sold, pawned or pledged by the person offering it.
- (10) No pawnbroker or his or her family or employees shall be permitted to live in his or her pawnshop or in rooms connecting therewith.
- (11) Every pawnbroker shall have a minimum ten (10) day hold on any item that has been pawned or sold to the pawnbroker.
- (12) Every pawnbroker shall give to the chief of police notice of all pawned goods to be shipped out of town, which notice shall state the name of the pledgee and the destination and date of shipment. Such goods shall not be shipped for at least seventen (10) days after delivery of the report to the chief of police as provided in section 54-1-
- (13) Every pawnbroker shall have net assets of at least \$50,000.00 readily available for use in conducting business as a pawnshop for each licensed

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pawnshop location. If the city is unable to verify that the applicant meets the net assets requirement for a licensed pawnshop, the city may require a finding, including the presentation of a current balance sheet, by an independent certified public accountant that the accountant has reviewed the books and records of the applicant and that the applicant meets the net assets requirements of this subsection.

(14) An application for a new pawnshop license, the transfer of an existing pawnshop license or the approval of a change in the ownership of a licensed pawnshop shall be under oath and shall state the full name and place of residence of the applicant, the place where the business is to be conducted, and other relevant information required by the city. If the applicant is a partnership, the application shall state the full name and address of each member. If the applicant is a corporation, the application shall state the full name and address of each officer, ~~shareholder~~ and director.

(15) Every pawnbroker shall keep, consistent with accepted accounting practices, adequate books and records relating to the licensee's pawn transactions, which books and records shall be preserved for a period of at least two years from the date of the last transaction recorded therein.

(16) Every pawnbroker shall comply in all respects with ~~RSMo ch. chapter~~ 367, RSMo.

(17) The application shall be accompanied by an investigation fee of \$500.00 if the applicant is unlicensed at the time of applying for the pawnshop license or \$250.00 if the application involves a second or additional license to an applicant previously licensed for a separate location or involves substantially identical principals and owners of a licensed pawnshop at a separate location. There shall be no investigation fee for renewal of a license so long as the principals or owners and the location of the pawnshop remain the same.

Approved as to form and legality:

Alan L. Holtkamp
Assistant City Attorney