

**HUBBARD COUNTY
ORDINANCE NO. 22**

An ordinance regulating pawnbrokers and second-hand goods dealers, and pawnbroker and second-hand goods permits.

The County Board of Commissioners of the County of Hubbard, State of Minnesota, does hereby ordain as follows:

SECTION I. JUSTIFICATION:

A. Purpose

The Hubbard County Board of Commissioners finds that adequate protection of public health, safety, and welfare requires that the business of pawnbrokers and dealers in second-hand goods be regulated and controlled.

B. Jurisdiction

The jurisdiction of this ordinance shall include all of Hubbard County except that area within the incorporated limits of the City of Park Rapids.

C. Compliance

The business of pawnbrokers and the business of dealers in second-hand goods in Hubbard County shall be in full compliance with this ordinance.

D. Abrogation

This section does not prohibit a town, town board, or a municipality from adopting or continuing in force regulations which are more restrictive than those required by this ordinance.

E. Severability/Saving Clause

The provisions of this Ordinance shall be severable, and the invalidity of any paragraph, sub paragraph, or subdivision therefore shall not make void any other paragraph, subparagraph, subdivision or any other part.

SECTION II. DEFINITIONS:

For the purpose of this ordinance, certain terms and words are hereby define. The present tense includes the future tense, the singular number shall include the plural and the plural the singular; the word shall is mandatory and the word may is permissive. When used in this section, the following words shall mean:

- A. Pawnbroker means a person 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 or personal property, taking possession of the property or any part thereof so mortgaged.
- B. Second-hand Goods Dealer means a person engaged in the business of buying second-hand goods of any kind, including but not limited to coins, gold, silver, jewelry, metals, guns, tires, car batteries, and other automobile accessories, but excepting goods and merchandise taken as part or full payment for new goods and merchandise.
- C. Junk means old or scrap copper, brass, rope, rags, batteries, paper, synthetic or organic, trash, rubber debris, waste, or junked, dismantled or wrecked farm or construction machinery or parts thereof, iron, steel and other old scrap ferrous or no-ferrous material.
- D. Board means the Hubbard County Board of Commissioners.

Section III. EXCEPTIONS:

The following business purchases shall not be covered by this section:

- A. The purchased of a motor vehicle as scarp or to be dismantled or destroyed where the certificate of title is or has been mailed or delivered to the Department of Motor Vehicles for cancellation pursuant to Minnesota Statute §168A.15.
- B. Used car sales involving vehicles with registered titles registered through the Department of Motor Vehicles.
- C. Purchased from occasional “Garage” or “Yard” sale of personal property conducted from a residence.
- D. Estate sale or farm auction held at decedent’s residence.
- E. Auction sales.
- F. The purchase of used clothing where no single item has a value of greater then \$50.00.
- G. Consignment sales from an established place of business.
- H. The purchase of used books where no single book has a value of greater than \$50.00.

- I. Any purchase of property from merchants, manufacturers, or wholesale dealers having an established place of business, or of goods purchased at open sale from any bank or from stock, or of goods purchased at salvage. Such property and goods must be accompanied by a bill of sale or other evidence of open or legitimate purchase, which must be shown to any peace officer.
- J. Recycling center, e.g. aluminum recycling center.
- K. Any purchaser of property at a flea market or swap meet sponsored by a local non-second-hand goods dealer or pawnbroker, or by a community group, and conducted on property with the consent of the owner of the property; where such purchaser is not otherwise required to be licensed by this section.
- L. Any purchase of junk materials as define in Section II(C).

Section IV. Licensing and Bonding of Pawnbrokers and Dealers in Second-Hands Goods

A. License Required

It is Unlawful for any person to engage in the business of pawnbroker without a pawnbroker's license under this section; nor in the business of dealer in second-hand goods without a second-hand goods dealer license under this section.

B. Bond Required

Before a license shall be issued, bonds in the following amounts and upon the following conditions shall be filed with the County Auditor:

- (a) Pawnbroker - \$2,000.00 Bond
- (b) Second-hand goods dealer - - \$1000.00 Bond
- (c) All such bonds shall require that the principal named therein will observe all laws in relation to pawnbrokers and dealers in second-hand goods, and conduct his business inconformity thereto, and that he will account for and deliver to any person legally entitled thereto any goods, wares, or merchandise, article or thing, which may have come into his hand through his business as such pawnbroker, or dealer in second-hand goods, or in lieu thereof will pay in money to such person or persons the reasonable value thereof.

C. License Application – Dealer in Second-hand Goods

Any applicant for license as a dealer in second-hand goods shall specify in his application the type of goods, wares, or merchandise which he desires to deal in the license, if issued, shall limit the dealer to the type of goods, wares, or merchandise specified in the application.

D. Business at Only One Place

Any license issued under this section shall authorize the licensee to carry on such business only at the place designated in such license, excepting the estimating of the value of goods for purchase and the picking up goods.

E. Criminal Record

No license shall be issued to any person previously convicted of a misdemeanor, gross misdemeanor or felony, provided that any applicant convicted of a misdemeanor may apply to the sheriff for waiver of this provision. The Sheriff may, at his discretion, grant such a waiver upon demonstration by the applicant that the conviction does not bear substantial relationship to the character or ability of the applicant to conduct the business of pawnbroking consistent with the provisions of this section. Any denial may be appealed to the Board.

F. License Fee

Any person applying for a license under this section shall make application to the Hubbard County Sheriff's Department and shall pay a license fee to be set by resolution of the Board. Said license shall be effective for a period not to exceed twelve (12) months. Renewal shall be on an annual basis, and each license shall be renewed on or before January 15 of each calendar year. For those pawnbrokers or second-hand dealers in goods in business before the passage of this ordinance, the license fee shall be paid within 15 days after the effective date of this ordinance.

G. Fee Schedule – Place of Payment

License fees may be subject to change by resolution of the Board. License fees shall be collected by the Hubbard County Sheriff for deposit with the Hubbard County Treasurer.

H. Posting of License

Every pawn shop, or second-hand dealer shall prominently post his/her license in a conspicuous location at his/her place of business.

SECTION V. RECORDS REQUIRED:

A. Records Required

On reporting forms prescribed by the Hubbard County Sheriff's Department, every person who shall be engaged in the business of pawn broker or dealer in second-hand goods shall maintain a records system, except as provided below, wherein it shall be written, in the English Language, at the time of each loan or purchase, an accurate account or description of the goods, article or other thing pawned, pledge, or purchased, the amount of money loaned or paid therefore, the time of the receipt of the same and description of the person pawning, pledging, or selling the same. Such records shall be made immediately upon taking the item or article into possession. The description of any item of personal property shall include serial numbers, make, model, year or such other identification numbers where possible. The description of a person shall include compliance with any of the alternative identification requirements of subparagraph D of this section.

Purchases by a second-hand goods dealers of individual goods or items priced at less than a \$20.00 value are exempt from the above reporting requirements, but shall be reported at such times when the cumulative total of all such sales exceeds \$50.00.

B. Reports to the Sheriff

Every pawnbroker or dealer in second-hand goods shall make available to the Sheriff's Department, twice per month, on the first and sixteenth of the month, a legible and correct copy of the records required by subparagraph A of this section of all personal property or other valuable things received, deposited or purchased during the preceding fifteen days, together with the time when received or purchased and a description of the person or persons from whom left in pledge or from whom the same were purchased. Such records shall be mailed to the Sheriff's Office on the first and the sixteenth of the month, or in the event the first or sixteenth falls on a weekend or holiday, on the following business morning of that week.

C. Receipts Required

On receipt books prescribed by the Hubbard County Sheriff's Department, every such pawnbroker or dealer in second-hand goods, purchasing or receiving in deposit for a loan any article or personal property shall give to the person selling or depositing such article or personal property a receipt with a description of the item.

D. Identification Requirements

1. Each person pawning, pledging, or selling items in an establishment licensed pursuant to this section shall identify himself/herself as provided herein to the licensee or licensee's agent accepting such pawn, pledge, or sale. Neither the licensee nor any of his/her agents shall transact any business with any person who fails to identify himself/herself as provided herein. Identification shall be made as follows:
 - a. By showing a Minnesota driver's license or non-qualification certificate which was duly issued to the person presenting it by the state of Minnesota. The licensee or agent shall stamp or record the information contained on face of said driver's license or non-qualification certificate on the record required by subparagraph A of this section; or
 - b. In the event the person has no Minnesota driver's license or non-qualification certificate, then by a showing of some other form of identification issued to him/her by a governmental body or a recognized organization which shows either his/her picture or a physical description of him/her or both. The licensee or agent shall record the type of identification, and any identifying number on the identification, and the name and physical description on the identification in the record required by subparagraph A of this section; or
 - c. By a statement by the licensee that said person is personally known to the licensee and a recording of his/her full name and date of birth.
 2. The licensee or licensee's agent transacting the pawn, pledge or sale shall have the affirmative duty to compare all pictures, physical descriptions and signatures on the identification present with the physical features and signatures of the person presenting such identification and shall not transact any business with any person who appears to be presenting false identification.
- E. The provisions of this section shall not apply to dealers in precious metals licensed under Minnesota State Statute, insofar as they purchase precious metal bouillon, ingots, or coins.

SECTION VI. HOLDING AND REDEMPTION PERIODS:

A. Redemption Period

Any person pledging an article shall have 45 days to redeem the same before the pledge becomes forfeitable.

B. Sheriff's Order to Hold Property

Whenever the Sheriff or any member of the Sheriff's Department shall have probable cause to suspect that property listed pursuant to Section V shall be stolen property or constitute evidence of a crime, or that possession of such property is criminal or that such property shall constitute evidence that any individual has committed a crime, they shall notify such dealer or dealers not to sell any property so received on deposit or purchased by them, or permit the same to be redeemed, for a period of at least 48 hours in addition to the time period provided for in subparagraph A of this section, not counting Saturday, Sunday, or holidays.

SECTION VII. UNLAWFUL ACTS

A. Dealing with Minors, etc.

It is unlawful for any pawnbroker or dealer in second-hand goods to purchase or receive on deposit any personal property, goods, wares, merchandise, article or thing, from persons of unsound mind or intoxicated persons, or from persons under 18 years of age, without the written consent of his or her parent or guardian.

B. Minors; Prohibitions

No person under the age of 18 years shall sell, pawn, or pledge any personal property or other valuable thing with any person licensed to do business under this section. It is unlawful for any person under the age of 18 years to represent to any person licensed under the provision of this section, at the time of his or her selling, pawning, attempting to pawn, or pledging of any personal property, that he or she is 18 years of age or older.

C. Misconduct of Pawnbrokers

It is unlawful for any licensed pawnbroker to:

1. Lend money or on a pledge at a rate of interest above that allowed by law;
or
2. Have goods in his possession and refuse to permit a law enforcement officer to examine them during usual business hours; or

3. Sell pledged goods before the time to redeem has expired; or
4. Make a loan on a pledge to a person under lawful age, without the written consent of his or her parent or guardian.

D. Misconduct of Junk or Second-hand Dealers

1. Have goods in his possession and refuse to permit a law enforcement officer to examine them during usual business hours; or
2. Purchase property from a person under lawful age, without the written consent of his or her parent or guardian.

SECTION VIII. ENFORCEMENT

A. Enforcement Authority

This ordinance shall be administered and enforced by the Hubbard County Sheriff's Department, which is hereby designated the enforcing authority.

B. Misdemeanor Penalty

Any person, firm, or corporation who shall violate any of the provisions hereof or who shall make any false statement in any license or record required to be submitted under the provisions hereof, shall be guilty of a misdemeanor. All fines and violations shall be deposited with the Hubbard County Court Administrator's Office.

C. Suspension and Revocation of License

1. Any license issued pursuant to this Ordinance may be suspended for up to sixty (60) days or revoked for good causes by the Board. Written notice shall be given to the licensee of the Board's intent to suspend or revoke a license. A licensee shall have ten (10) days from the receipt of said notice to appeal the proposed suspension or revocation to the Board for a hearing of the matter before the full board at a regular or special meeting of the Board. If appeal is timely noted, all action shall be stayed pending the hearing. Written notice of the hearing shall be served upon the licensee at least twenty-one (21) days prior to the date of the hearing. Any licensee whose license is suspended or revoked may appeal from such order to the District Court. Such appeal shall be taken by service of the written notice hereof upon the Board within ten days after service upon the licensee of the order appealed from and by filing with the District Court Administrator, within ten days after service, the notice of appeal with proof of service thereof upon the Board. An appeal will not stay implementation of the Board's order.

2. For the purpose of this section, “good cause” shall include, but not limited to:
 - a. Conviction of licensee or any of his employees of any crime relating to the operation of a pawnbroking business.
 - b. Violations by the licensee or his employees of any of the provisions of this section or any other section of the county ordinance or statute relating to the operation of a pawnbroking business or second-hand goods business.
 - c. Failure to cooperate fully with any lawful law enforcement investigation.
 - d. Falsely stating any material fact on the license application.
 - e. Submitting a false in incomplete record to the Sheriff.

SECTION IX. ADMENDMENT:

This ordinance may be amended by the Hubbard County Board of Commissioners whenever the public necessity and general welfare requires such amendment. The Hubbard County Board of Commissioners shall conduct a public hearing in the manner prescribe by M.S.A. 375.51.

SECTION X. EFFECTIVE DATE:

This ordinance shall be in full force and effect from and after its approval, passage, and publication as provided by law.

THIS ORDINANCE ORDAINED AND ENACTED by the Board of County Commissioners of the County of Hubbard, State of Minnesota, on this 6th day of May, A.D. 1992.