

PUBLIC SAFETY COMMITTEE

12-016-0

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTIONS 36-1, 36-2, 36-6, 36-7, 36-8, 36-9, 36-12, 36-13, 36-16, 36-17, 36-19, 36-20, 36-21, AND 36-23 OF THE DULUTH CITY CODE, 1959, AS AMENDED, PERTAINING TO PAWNBROKERS AND PRECIOUS METALS.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That Section 36-1 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-1. Definitions.

For the purposes of this Chapter, the following words and phrases shall have the meanings respectively ascribed to them by this Section:

Billable transaction. Every reportable transaction conducted by a pawnbroker is a billable transaction, except renewals, redemptions or extensions of existing pawns on items previously reported and continuously in the licensee's possession, voided transactions and confiscations.

Item containing precious metal. An item made in whole or in part of metal and containing more than one percent by weight of silver, gold or platinum.

Pawnbroker. Any natural person, partnership, or corporation, limited liability company, joint venture, trust, association, or any other legal entity, either as principal, or agent or employee thereof, who loans money on deposit or pledge of personal property, or other valuable thing, including an item containing precious metal, or who deals in the purchasing of personal property, or other valuable thing, including an item containing precious metal, 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, including an item containing precious metal, previously used, rented or leased, or selling it on consignment, the provisions of this Chapter shall be applicable.

A pawnbroker licensed under this Chapter shall have the authority to receive or purchase precious metals or items containing precious metal without obtaining a separate precious metal dealer license under this Chapter.

Precious metals. Precious metals means silver, gold and platinum.

Reportable transaction. 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:

(a) 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;

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

~~Billable transaction. Every reportable transaction conducted by a pawnbroker is a billable transaction, except renewals, redemptions or extensions of existing pawns on items previously reported and continuously in the licensee's possession, voided transactions and confiscations.~~

Section 2. That Section 36-2 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-2. License-required.

No person shall ~~engage~~ exercise, carry on, or be engaged in the trade or business of pawnbroking a pawnbroker or act as a pawnbroker within the city ~~without first having obtained a license to do so unless the person is currently licensed pursuant to the provisions of this Article. A pawn transaction made without the benefit of a license is void.~~ Such license shall authorize the licensee to engage in the pawnbroking business at the premises named on the license. Each premises shall require a separate license. No person shall be eligible for a license unless such person meets the eligibility standards set forth in Minnesota Statutes Section 325J.03(a) or its successor. Licenses shall be nontransferable. Any change in the direct or beneficial ownership of a pawnbroking business, including pawnbroking businesses lawfully operating pursuant to Minnesota Statutes Section 325J.10, shall be reported by the licensee to the clerk and shall require a new license.

Section 3. That Section 36-6 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-6. Records to be kept; right of inspection; pawn tickets.

(a) Each person licensed hereunder shall keep a record of each reportable transaction made in the course of his business. Such records shall be in a form prescribed by the chief of police and shall, in all instances, be legibly made in ink and be in the English language. The record so kept shall include the following information about each transaction:

(1) A complete and accurate description of each item including, but not limited to, any trademark, 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 therefor;

(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, current residence address, current residence telephone number, date of birth and accurate description of the person from whom the item of the 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 province of Canada;

(D) Current valid tribal identification card as defined in Minnesota Statutes Section 171.072;

(E) Current valid military identification card issued by the United States Department of Defense;

(7) The signature of the person identified in the transaction;

(b) The records required herein shall be kept available for police inspection at any reasonable time at the licensee's place of business and shall be kept for at least three years after any

transaction;

(c) The chief of police may require that all records and information required to be kept by this Section be kept by computer or other electronic format, or that video or photographic records be kept. The chief of police may also require that the computerized or electronic records of the pawnbrokers be electronically transmitted to police headquarters on a periodic basis. The format for computerized pawnbroker records shall be the "interchange file specification format" specified in Minnesota Statutes Section 325J.05(b) and (c) or its successor;

(d) The pledgor or seller shall sign a pawn ticket and receive an exact copy of the pawn ticket. 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 the period of not less than ~~90~~ 60 days past the ~~day~~ 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.”; and

(4) A blank line for the pledgor’s signature;

(e) All licensees shall take a color photograph of every item pawned or sold in accordance with the following:

(1) Photographic requirements. If a photograph is taken, it must be at least two inches in length by two 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 chief of police, or the chief’s designee, upon request. Items photographed must be accurately depicted. A high quality color scan of every item pawned or sold may be taken in lieu of a photograph provided the items scanned are accurately depicted;

(f) All licensees shall take a color photograph of each customer involved in a reportable transaction. In the alternative, all licensees shall make a high quality color photocopy of the current valid photo identification presented by each customer. If a photograph is taken, it must be at least two inches in length by two 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. The major portion of the photograph must include an identifiable front facial close-up of the person. 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;

(g) All photographs, photocopies of valid photo identifications, and color scans of items pawned or sold, are reportable transaction information that must be submitted to the Automated Pawn System as set forth in Section 36-7 of this Chapter;

(h) The licensee shall, at all times during the term of the

license, allow the Duluth police department, or designee, to enter the premises where the licensee's business is located, during normal business hours and at all other reasonable times, for the purpose of inspecting such premises and inspecting the items, ware and merchandise therein for the purpose of locating items suspected or alleged to have been stolen or otherwise improperly disposed of and to verify compliance with this Chapter and applicable state laws.

Section 4. That Section 36-7 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-7. Daily reports to chief of police.

Every pawnbroker shall make available to the chief of police every day, before the hour of 12:00 noon, a complete, legible and correct copy of the records required by Section 36-6 and Minnesota Statutes Chapter 325J or its successor, for all transactions occurring on the previous day. If the chief of police requires computerized recordkeeping for pawnbroker records, the chief shall also set and enforce specifications for each licensee's transmittal of those records to local and statewide authorities or data systems.

(a) Effective no later than 60 days after the police department provides licensees with the current version of the Automated Pawn System Interchange File Specification or similar automated record system as may be specified by the city, licensees must submit every reportable transaction to the police department daily in the following manner:

(1) Licensees must provide to the police 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;

(b) Billable transaction fees. Licensees will be charged for each billable transaction reported to the police department;

(1) If a licensee is unable to successfully transfer the required reports by modem, the licensee must provide the police 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 36-6(a) of this Code, and must be charged a \$50 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 36-6(a) of this Code, and resubmit all such transactions via modem when the error is corrected;

(4) 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 had existed;

(5) Section 36-7(b)(1) through (3) notwithstanding, the police department may, upon presentation of extenuating

circumstances, delay the implementation of the daily reporting penalty.

Section 5. That Section 36-8 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-8. Pledge or pawn not forfeited for ~~90~~ 60 days.

Any person pledging or pawning any article with any pawnbroker shall have ~~90~~ at least 60 days from the date of the pawn transaction, renewal or extension, to redeem the same before the pledge or pawn becomes forfeited.

Section 6. That Section 36-9 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-9. Holding periods; labels required.

(a) Pawned items. Any person pledging, pawning or depositing an item for security must have a minimum of 60 days from the date of that transaction to redeem the item before it may be forfeited and sold. During the 60 day redemption period or any extensions of the pawn transaction, items may not be removed from the premises or sold. However, licensees are permitted to return pledged goods to the borrower at any time during the redemption period. 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 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 in accordance with this Chapter; Holding periods. Any item purchased or accepted in trade by a licensee must not be sold or otherwise transferred for 30 days from the date of the transaction. An individual may redeem

~~an item 72 hours after the item was received on deposit, excluding Sundays and legal holidays,~~

(b) Purchased items. Any item, including an item containing precious metal, sold to a pawnbroker shall not be sold or otherwise removed from the premises for at least 30 days from the date of the purchase transaction. Such items may not be altered, modified, or changed in any way during this holding period;

(bc) Label 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 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 police 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.

Section 7. That Section 36-12 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-12. Prohibited conduct.

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

(a) Make any false entry in the records of pawn transactions;

(b) Falsify, obliterate, destroy or remove from the place of business the records, books or accounts relating to the licensee's pawn transactions;

(c) Refuse to allow the Duluth police, 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 actual or constructive possession during the ordinary hours

of business or at other reasonable times;

(d) Fail to maintain a record of each pawn transaction for three years;

(e) Accept a pledge, or purchase property from, a person under the age of 18 years, nor from an intoxicated person;

(f) Make any agreement requiring the personal liability of a pledgor or seller, or waiving any provision of this Chapter;

(g) Fail to return pledged goods to a pledgor or seller, or provide compensation as set forth in Minnesota Statutes Section 325J.09, or its successor, upon payment of the full amount due the pawnbroker unless either the date of redemption is more than ~~90~~ 60 days past the date of the pawn transaction, renewal or extension and the pawnbroker has sold the pledged goods pursuant to Minnesota Statutes Section 325J.06, or its successor, or the pledged goods have been taken into custody by a court or a law enforcement officer or agency;

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

(i) Remove pledged goods from the pawnshop premises or other storage place approved by the chief of police at any time before ~~unredeemed, pledged goods are sold~~ the expiration of the redemption period pursuant to Minnesota Statutes Section 325J.06 or its successor. However:

(1) A pawnbroker is permitted to return pledged goods to the borrower at any time during the redemption period;

(2) A pawnbroker is permitted to 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 set forth in Minnesota Statutes Section 325J.06 or its

successor, and;

(3) A pawnbroker who purchases goods not involving a pawn transaction is permitted to sell or remove the purchased goods from the pawnshop premises 31 days or later from the purchase transaction date.

Section 8. That Section 36-13 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-13. Identification requirements.

(a) Each person pawning, pledging or selling items in an establishment licensed pursuant to this Chapter shall identify himself, as provided herein, to the licensee or licensee's agent accepting such pawn, pledge or sale and shall present himself for taking of a photo or video picture, and, if requested, a fingerprint. Neither the licensee nor any of his agents shall transact any business with any person who fails to identify himself as provided herein. Identification shall be made as follows:

(1) ~~By a showing of a Minnesota driver's license or nonqualification certificate which was duly issued to the person presenting it by the state of Minnesota~~ one of the forms of photo identification as set forth in Section 36-6 of this Chapter. The licensee or agent shall ~~stamp or record the information contained on face of said drivers license or nonqualification certificate~~ photo identification on the record required by Section 36-6 of this Chapter;

or, if the person has ~~no Minnesota driver's license or nonqualification certificate~~ none of these forms of photo identification, then:

(2) By a showing of a form of identification sufficient to establish proof of age as set out in Minnesota Statutes Section 340A.503, subd. 6, as it may be amended or succeeded. The

licensee or agent shall record the type of identification, any identifying number on the identification, and the name and physical description on the identification in the record required by Section 36-6 of this Chapter;

(b) 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 presented with the physical features and signature of the person presenting such identification and shall not transact any business with any person who appears to be presenting false identification.

Section 9. That Section 36-16 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-16. Definitions.

For the purposes of this Article, the following words and phrases shall have the meanings respectively ascribed to them by this Section:

Antique. Any secondhand good the value of which, in whole or substantial part, is derived from its age or its historical association.

Antique dealer. Any dealer whose regular business includes selling or receiving secondhand goods where at least 90 percent of the goods on hand at all times, measured according to value, consists of antiques.

Auction house dealer. Any dealer whose regular business includes selling or receiving secondhand goods some or all of which are offered for sale for the highest bid or offer tendered.

Billable transaction. Every reportable transaction conducted by a licensee.

Consignment house dealer. A dealer in secondhand goods acquired by a consignment agreement.

Dealer. Any person whose regular business includes the purchase of goods, wares or merchandise for the purpose of selling them at wholesale or retail to any qualified purchaser.

Item containing precious metal. An item made in whole or in part of metal and containing more than one percent by weight of silver, gold or platinum.

Person. An individual, corporation, limited liability company, partnership or any other type of incorporated or unincorporated business association, either as principal, agent or employee thereof.

Precious metal. Gold, silver or platinum.

Precious metal dealer. Any person except banks or financial corporations regulated under Title 12, U.S. Code⁷ or ~~Chapters 47,~~ or 48, or 80A of Minnesota Statutes who engages in the business of buying or selling secondhand items containing precious metal, including, but not limited to, jewelry, coins, watches, eating utensils and tableware, candlesticks, religious and decorative objects, ingots and other objects whose principal value is derived from the precious metal content of the object. Dealers in these items shall include, without limitation, antique dealers, consignment house dealers, secondhand dealers and auction house dealers.

Reportable transaction. Every transaction conducted by a licensee involving the purchase, receipt, consignment or trade of secondhand items containing precious metal except those transactions with another dealer licensed hereunder.

Secondhand dealer. Any dealer whose regular business includes the purchase, sale or trade of secondhand goods, wares or merchandise.

Section 10. That Section 36-17 of the Duluth City Code, 1959, as amended,

is hereby amended to read as follows:

Sec. 36-17. License required.

(a) No person shall ~~act~~exercise, carry on, or be engaged in the activity, business or trade of ~~as~~ a precious metal dealer or advertise or hold himself out to be a precious metal dealer within the city without first having obtained a license to do so unless the person is currently licensed pursuant to the provisions of this Article. Such license shall authorize the licensee to operate as a precious metal dealer only at the premises named on the license. Each premises shall require a separate license;

(b) The following transactions shall be exempt from the provisions of this Article:

(1) Investment metal contracts as defined by Minnesota Statutes, Section 80A.14(k);

(2) Transactions regulated by the Federal Commodity Futures Commission Act.

(c) A pawnbroker licensed under this Chapter shall have the authority to receive or purchase precious metals or items containing precious metal without obtaining a separate precious metal license under this Article.

Section 11. That Section 36-19 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-19. Records to be kept; right of inspection.

(a) Each person licensed hereunder shall keep a record of ~~all precious metal purchases made in the city of Duluth~~ each reportable transaction except those ~~made from transactions with~~ another dealer licensed hereunder. Such records shall be in a form prescribed by the chief of police and shall, in all instances, be legibly made in ink and be in the English language. The record so kept shall include the following information about each transaction:

(1) The name, address and date of birth of the person from whom he received the item;

(2) The time and date of the transaction;

(3) A complete description of the item purchased or received, including all identifying numbers, identifying marks, type of metal, gems attached and size of the item, except that in the case of coins only denomination, metal type and total number of each denomination need be recorded;

(4) The identification presented as required by Section 36-23 of this Chapter;

(5) A description of the person selling the item;

(6) The amount of money paid for the item;

(7) The signature of the person selling the item;

(8) Any other information the police chief shall require;

(b) The records required herein shall be kept available for police inspection at any reasonable time at the licensee's place of business;

(c) The chief of police may require that all records and information required to be kept by this Section be kept by computer or other electronic format. The chief of police may also require that the computerized or electronic records be electronically transmitted to police headquarters;

(d) All licensees shall take a color photograph of every item purchased, except coins, in accordance with the following:

(1) Photographic requirements. If a photograph is taken, it must be at least two inches in length by two 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 chief of police, or the chief's designee, upon request. Items photographed must be accurately depicted. A high quality color scan of every item purchased may be taken in lieu of a photograph provided the items scanned are accurately depicted;

(e) All licensees shall take a color photograph of each customer involved in a reportable transaction. In the alternative, all licensees shall make a high quality color photocopy of the current valid photo identification presented by each customer. If a photograph is taken, it must be at least two inches in length by two 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. The major portion of the photograph must include an identifiable front facial close-up of the person. 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;

(f) All photographs, photocopies of valid photo identifications, and color scans of items purchased, are reportable transaction information that must be submitted to the Automated Pawn System as set forth in Section 36-20 of this Article.

Section 12. That Section 36-20 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-20. Daily reports to chief of police.

Every precious metal dealer shall make available to the chief of police every day, before the hour of 12:00 noon, a complete, legible and correct copy of the records required by Section 36-19 and Minnesota Statutes Chapter 325F or its successor, for all transactions occurring on the previous day. If the chief of police requires computerized recordkeeping for these records, the chief shall also set and enforce specifications for each licensee's

transmittal of those records to local and statewide authorities or data systems.

(a) Effective no later than 60 days after the police department provides licensees with the current version of the Automated Pawn System Interchange File Specification or similar automated record system as may be specified by the city, licensees must submit every reportable transaction, except transactions involving coins exclusively, to the police department daily in the following manner:

(1) Licensees must provide to the police 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;

(b) Billable transaction fees. Licensees will be charged for each billable transaction reported to the police department;

(1) If a licensee is unable to successfully transfer the required reports by modem, the licensee must provide the police 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 36-19(a) of this Code, and must be charged a \$50 reporting failure penalty, daily, until the error is corrected;

(3) If the problem is determined to be outside the licensee's system, the licensee must continue to provide the required reports in Section 36-19(a) of this Code, and resubmit all such transactions via modem when the error is corrected;

(4) 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 had existed;

(5) Section 36-20(b) (1) through (3) notwithstanding, the police department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty.

Section 13. That Section 36-21 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-21. Holding period.

(a) No precious metal dealer or agent or employee of such dealer shall sell, melt, alter, divest himself of possession of, or move to a place outside the corporate limits of the city of Duluth any secondhand item containing precious metal purchased or received by him ~~whose principal value is derived from its precious metal content, except coins, ingots and bullion until ~~14~~ 31 days from the date of the transaction after the day when the report of the transaction, as required by Section 36-20, was made to the police department;~~

(b) The chief of police may order that any item be held

beyond the time authorized in Subsection (a) above under the same conditions set forth therein. No person shall disobey such order. The chief of police shall grant a hearing to any person aggrieved by such order to contest the reasonableness of such order.

Section 14. That Section 36-23 of the Duluth City Code, 1959, as amended, is hereby amended to read as follows:

Sec. 36-23. Identification requirements.

(a) Each person trading or selling items in an establishment licensed pursuant to this Article shall identify himself as provided herein to the licensee or licensee's agent accepting such trade or sale. Neither the licensee nor any of his agents shall transact any business with any person who fails to identify himself as provided herein. Identification shall be made as follows:

(1) By a showing of ~~a Minnesota driver's license or nonqualification certificate which was duly issued to the person presenting it by the state of Minnesota~~ one of the forms of photo identification as set forth in Section 36-6 of this Chapter. The licensee or agent shall ~~stamp or record~~ the information contained on face of said ~~drivers license or nonqualification certificate~~ photo identification on the record required by Section 36-6 of this Chapter; or, if the person has ~~no Minnesota driver's license or nonqualification certificate~~ none of the forms of photo identification as set forth in Section 36-6 of this Chapter, then;

(2) By a showing of some other form of identification issued to him by ~~a governmental body or a recognized organization which shows his picture~~ sufficient to establish proof of age as set out in Minnesota Statutes Section 340A.503, subd. 6, as it may be

amended or succeeded. The licensee or agent shall record the type of identification, any identifying number on the identification, and the name and physical description on the identification in the record required by Section 36-19 of this Article;

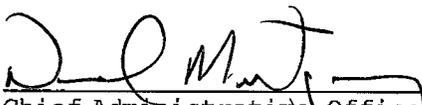
(b) The licensee or licensee's agent transacting the transaction shall have the affirmative duty to compare all pictures, physical descriptions and signatures on the identification presented with the physical features and signature of the person presenting such identification and shall not transact any business with any person who appears to be presenting false identification.

Section 15. That this ordinance shall take effect 30 days after its passage and publication.

Approved:
council:


Department Director

Approved for presentation to


Chief Administrative Officer

Approved as to form:


Attorney

Approved:


Auditor

DPD/ATTY TLL:dma 03/14/2012

STATEMENT OF PURPOSE: This ordinance incorporates language from the corresponding Chapters of the Minnesota Statutes, specifically Chapters 325F and 325J, which regulate precious metal sales and pawnbrokers, respectively. Also, this ordinance adopts the requirements of recent amendments to the Minnesota Statutes relating to the redemption and holding periods. These changes provide consistency with the state requirements. Also, this ordinance provides uniform application of the reporting requirements and holding periods, which will assist law enforcement in preventing and

combating crime and will serve to protect the public safety and general welfare.