

## CHAPTER 130

# LICENSING OF PAWNBROKERS AND SECONDHAND GOODS DEALERS

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**130.01 DEFINITIONS.** For use in this chapter, the following terms are defined:

1. "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 the condition of selling the item 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, or any person who displays at that person's place of business the sign of three (3) gilt or yellow balls, generally used by pawnbrokers to denote their business, or anyone holding himself or herself out to be a pawnbroker.
2. "Secondhand goods dealer" means any person whose business includes selling, buying, or receiving any tangible personal property, previously owned, used, rented or leased. The term secondhand goods dealer includes pawnbrokers.

**130.02 LICENSE REQUIRED.** No person shall carry on or engage in business as a secondhand goods dealer in the City without first having obtained a license therefor from the City, and paying an annual license fee in an amount set by resolution of the Council. Any person having several or separate places of business shall pay the license fee and procure a license for each place. The license provided for herein is valid only for the location designated in the application pursuant to Section 130.04 and shall be prominently displayed therein at all times. Upon any change in any of the information required to be submitted as part of the application, the licensee shall, within three days of such change, notify the Clerk of such change, in writing, and in the event of a change of address where doing business, the license shall be returned to the Clerk and an amended license issued designating the new location. The amended license will be valid for the length of time remaining on the original license. All licenses issued under this chapter shall expire one year after the original date of issuance.

**130.03 EXEMPTIONS.** This chapter does not apply to or include the following:

1. The sale of secondhand goods where all of the following are present:
  - A. The sale is held on property occupied as a dwelling by the seller or owned, rented, or leased by a charitable or political organization, e.g., yard sale, garage sale, or moving sale;
  - B. The items offered for sale are owned by the occupant or seller;
  - C. The sale does not exceed a period of 96 consecutive hours;
  - D. No more than two sales are held in any 12-month period;

- E. None of the items offered for sale have been purchased for resale or received on consignment for purpose of resale.
2. The sale of secondhand books or magazines.
3. The sale of goods at an auction held by a licensed auctioneer.
4. The business of buying or selling only those secondhand goods taken as part or full payment for new goods and where such business is incident to and not the primary business of a person.
5. A bulk sale of property from a merchant, manufacturer, or wholesaler having an established place of business or of goods sold at open sale from bankrupt stock.
6. Goods sold at the public market, e.g., farmers market, etc.
7. Goods sold at bona fide antique, used furniture, or used clothing stores, e.g., a business in which 75 percent of the business's revenue is derived through the sale of antiques, used furniture, or used clothes.

**130.04 AFFIDAVIT REQUIRED.** Before any license required by this chapter is issued, the applicant therefor shall file with the Clerk an affidavit that the applicant will observe and carry out the requirements of any provision of this Code of Ordinances in force at the time of application, or any provision of this Code of Ordinances passed thereafter and during the time the applicant's license is in force, in relation to secondhand goods dealers or their business.

**130.05 APPLICATION.** Any applicant for a secondhand goods dealer's license must complete an application form provided by the Clerk. The application form shall contain the following information:

1. Name, place of birth, date of birth and home address of applicant;
2. Designation of location, including street and number, where business is to be transacted, plus name and address of the owner of the premises;
3. A detailed drawing of the interior of the place of business and any other storage facilities used by the secondhand goods dealer for storing items in the dealer's possession.
4. A statement as to whether, within the previous five (5) years, the applicant has been convicted of any law relating to theft, damage or trespass to property, sale of a controlled substance or the operation of a business; the nature and date of the offense and the penalty received;
5. Whether the applicant is a natural person, corporation, or partnership:
  - A. If the applicant is a partnership, the names and addresses of all partners;
  - B. If the applicant is a corporation, the state of incorporation and the names and addresses of all officers and directors;
6. If the applicant is a natural person, the application shall be signed and sworn to by the person; if a corporation, by an agent authorized to sign; if a partnership, by a partner;
7. The name of the manager or proprietor of the business;
8. Applicant shall provide the Clerk with any additional information required by the Clerk with regard to the application.

The Police Department shall investigate the facts set forth in the application and shall report to the Clerk its findings thereon. The applicant shall furnish to the Police Department such evidence as it may reasonably require in support of the statements set forth in the application.

**130.06 SURETY BOND.** Each applicant for a license required by this chapter shall, before the license is issued to the applicant, file with the Clerk a bond, with the surety approved by the Council, in the penal sum of one thousand dollars (\$1,000.00), conditioned that the applicant will comply with and observe the terms and conditions of all provisions of this Code of Ordinances relating to secondhand goods dealers or their business, and will pay all costs, fines, and penalties incurred on account of the applicant's failure to observe such provisions and will pay all damages resulting to any person by reason of the wrongful purchase or receiving of any stolen property or property from any minor, which bond shall be approved by the Council and filed by the Clerk.

**130.07 RECORDS REGISTER REQUIRED.**

1. Every secondhand goods dealer is required to keep a record register in which the dealer accurately, intelligently, and legibly enters, in ink, in the English language, at the time of purchasing or receiving any article or item:

- A. The value of the article;
- B. The amount paid, advanced or loaned for the article;
- C. A detailed, complete, and accurate description of the article, including identifying marks;
- D. The article's serial number and model number, if any;
- E. The name of the person from whom the article is purchased or received, his or her residence address, social security number, height, and general description;
- F. The date, time, and place of the transaction;
- G. The time and date when the article is to be redeemed or bought back.
- H. Any mortgage or bill of sale taken, or receipt or pawn ticket given;
- I. When, and by whom, an article was bought back or redeemed;
- J. When, to whom, and how, an article was disposed of, not to include pawned items.

2. Every secondhand goods dealer shall also record the date of disposition of said article or any part or portion thereof. Said disposition report shall be located in the same book and at the same place where the receiving records for said article are located.

3. Any person who fails to keep such records, or fails to make the required entries therein, or intentionally or knowingly makes any false or unintelligible entry, or any entry which the dealer has reason to believe is untrue, or who fails to make the inquiries necessary to enable the dealer to make such entries or any of them, or who fails to produce the records when requested, or who destroys or negligently permits such records to be destroyed or lost, is guilty of a simple misdemeanor.

4. Every secondhand goods dealer shall submit to the Police Department, by noon on Friday of each week, a record of each item received on pawn or purchased outright. Such record shall include all information required by subsection 1. A secondhand goods dealer or employee who fails to submit such record on each item received is guilty of a misdemeanor.

**130.08 INSPECTION OF REGISTER AND PROPERTY.** The secondhand goods dealer's register required by this chapter shall at all times be open to inspection by a duly authorized officer of the City without warrant. The secondhand goods dealer shall also, upon request, show to any such duly authorized

officer any articles purchased, taken or received by the dealer or deposited with the dealer and in the dealer's possession.

**130.09 TICKET FOR PROPERTY RECEIVED.** To each person selling, negotiating, depositing, or leaving any property with a secondhand goods dealer, the secondhand goods dealer shall give a ticket upon which shall be printed or written a copy of all entries required by this chapter to be made in the secondhand good dealer's register with reference to the transactions with such person. No charge shall be made by the secondhand goods dealer for such ticket.

**130.10 HOLDING PERIOD.** Any item received by a secondhand goods dealer shall not be sold, transferred, altered, removed from the premises, or otherwise disposed of for seven (7) days from the date of purchase. However, an individual may redeem an item that he or she pawned any time after the item was received on deposit, excluding Sundays and legal holidays. Failure to hold said items for the required holding period is deemed a simple misdemeanor.

**130.11 POLICE ORDER TO HOLD PROPERTY.** The Police are authorized to seize property, with proper seizure notice, or require the dealer to hold property which they have probable cause to believe is stolen property. A receipt will be given to the secondhand goods dealer for all property seized.

**130.12 PROHIBITED ACTS.**

1. No person under the age of 18 years shall sell or pawn any item with any secondhand goods dealer, nor shall any secondhand goods dealer receive any items from a person under the age of 18 years.
2. No dealer shall receive any goods unless the seller presents two forms of identification. Proper identification shall consist of, but not be limited to, driver's license, picture I.D., medicard, draft card, and/or major credit card.
3. No goods or merchandise shall be stored or continuously displayed on any public street, alley, or public parking. Any goods or merchandise stored or displayed outside a fully enclosed building shall be done so in an orderly and clean fashion so as not to create a nuisance, as defined in the *Code of Iowa* or this Code of Ordinances, or stored or displayed in such a manner as to provide a habitat or breeding area for rodents or insects. Goods and merchandise stored or displayed outside which are not designed to be placed, freestanding, on the ground, shall be placed on racks or shelves.

**130.13 DENIAL, SUSPENSION, OR REVOCATION.**

1. Any license under this chapter may be denied, suspended or revoked for any of the following reasons:
  - A. The proposed use is in conflict with the Zoning Ordinance;
  - B. The proposed use is in conflict with any health, building, building maintenance or other provision of this Code of Ordinances or State law;
  - C. Violation of any provision of this chapter;
  - D. Fraud, misrepresentation, or false statements in securing a license;
  - E. Fraud, misrepresentation, or false statements made in the course of the applicant's business;
  - F. Conviction within the preceding five years of any public offense relating to theft, damage, or trespass to property or to the operation of a business;

2. The Clerk may, upon receipt of information alleging that grounds exist to deny, suspend or revoke the license of any applicant or licensee under this chapter, and after consultation with the legal department, report the circumstances to the Council, which in such cases may cause a notice to be served on the applicant or licensee, which notice shall state that a denial, suspension, or revocation hearing has been set before the Council, the grounds for the proposed denial, suspension or revocation, the date and time of the hearing and the place where the hearing will be conducted. Upon such hearing, if the Council determines that one or more of such grounds do exist, it may deny an application or suspend or revoke an existing license. In the event such license is revoked, no license under this chapter shall be issued to that licensee for a period of one year.