

**CITY OF GEM LAKE, RAMSEY COUNTY, MINNESOTA**

**ORDINANCE NO. 95**

**AN ORDINANCE DESCRIBING REGULATIONS FOR THE LICENSING OF A PAWNBROKER BUSINESS AND FOR A PAWNBROKER**

**THE CITY COUNCIL OF THE CITY OF GEM LAKE ORDAINS:**

**SECTION 1. State law adopted.** Except as further specified by this Ordinance, the City of Gem Lake hereby adopts the provisions of Minnesota Statutes, Chapter 325J, with reference to definitions, eligibility, business operations, records, charges, and locations, as those provisions may be amended from time to time, and intends to make those provisions a part of this ordinance as if fully set out herein.

**SECTION 2. License required.**

2.1 A person may not engage in business as a pawnbroker or otherwise portray the person as a pawnbroker unless the person has a valid license authorizing engagement in the business. Any pawn transaction made without benefit of a license is void.

2.2 A separate license is required for each place of business. A person may obtain more than one license if the person complies with this chapter for each license. Licenses are issued for the premises described in the application and shall not be transferable to a different location. A failure to comply at any one location may be grounds for revocation of all licenses held by the person.

**SECTION 3. Application Procedures.**

3.1 An application for a pawnbroker license shall be filed with the City Clerk, along with the license fee, which shall be set by the City Council from time to time and published with other city fees and charges.

3.2 The City shall request a background investigation of the applicant, and report the results of said investigation with the forwarded application. The applicant shall pay an investigation fee of no more than \$500, set by the City Council from time to time, for investigation within the State of Minnesota. Should the City or the Bureau of Criminal Apprehension determine that investigation outside the State of Minnesota is necessary, the applicant shall pay for the cost of the investigation, up to \$10,000.00, through the city.

3.3 The Clerk shall forward the completed application to the Planning Commission for review and recommendation to the City Council. The City Council shall hold a public hearing on the application. Notice of the hearing shall be mailed, at least ten days prior to the date of the hearing, to the owners of all properties located within 350 feet of any lot line of the property on which the pawnbroker operation is proposed. The notice shall also be published in the official newspaper at least ten days prior to the date of hearing. After conducting the hearing, the City Council may grant or refuse the application in its discretion.

3.4 All licenses shall expire on the last day of December of each year. Each license shall be issued for a period of one year except that if a portion of the license year has elapsed when the application is made, a license may be issued for the remainder of the year for a pro rata fee. In computing such fee, any unexpired fraction of a month shall be counted as one month.

3.5 Each person holding a pawnbroker license shall apply to the City Clerk each January for renewal. Prior to issuance of a license renewal, the City Clerk shall determine that all licensing conditions and city ordinances are being met.

#### **SECTION 4. Conditions Upon Licenses.**

4.1 Before any person shall be licensed as a pawnbroker under this ordinance, such applicant shall file with the City Clerk a bond in the sum of five thousand dollars (\$5,000.00) with a duly licensed surety company as surety thereon, with such surety bond to be approved by the City Clerk and such bond to be approved as to form and execution by the City Attorney. Conditions of such bond shall be that the licensee shall observe the sections of this Ordinance or other city ordinances in relation to the business of the pawnbroker and that such licensee will conduct such business in conformity therewith and will account for and deliver to any person legally entitled thereto any goods, wares or merchandise, article or thing which may have come into the possession of such licensee as pawnbroker or, in lieu thereof, such licensee shall pay in money to such person the reasonable value thereof.

4.2 The pawnbroker's premises must be in compliance with all applicable zoning, building and fire codes.

4.3 If a pawnbroker shall receive notice through publications, advertisements, or any other means that any goods, articles or things in the licensee's possession are lost or stolen, the licensee or an agent thereof shall immediately give information to either the City Clerk or the Ramsey County Sheriff's Department that the items are in the licensee's possession. The licensee shall not thereafter dispose of the goods, articles or things except upon written authority from the City Clerk or Ramsey County Sheriff.

4.4 Any licensee shall immediately report to the Ramsey County Sheriff's Department any attempt to sell, trade or barter any merchandise with a serial number that has been removed, altered, obliterated or otherwise defaced in violation of state law.

4.5 No licensed premises shall open for business before 8:00 a.m. or remain open after 9:00 p.m. on any day of the week.

**SECTION 5. Revocation, Appeal.** A license may be suspended or revoked for failure to comply with this Ordinance or the provisions of Minnesota Statutes incorporated herein.

5.1 No expiration, revocation, suspension, or surrender of any license shall impair or affect the obligation of any preexisting lawful contract between the licensee and any pledgor.

5.2 The City Clerk shall suspend a pawnbroker license where compliance with the licensing conditions or city ordinances cannot be obtained. The suspension shall extend for three months or until the license holder demonstrates compliance with this ordinance and other applicable law to the city. The City Clerk shall revoke the license of a pawnbroker in the event of confirmed noncompliance with this ordinance or other applicable law, conviction of the license holder or an employee of the licensed operation of a crime which would make the person ineligible to maintain a pawnbroker license under Minn. Stat. § 325J.03, or where the licensed operation has been discontinued.

5.3 The holder of a license whose license has been suspended or revoked by the City Clerk may appeal the decision to the City Council. To request an appeal, a written letter or request must be submitted to the City Clerk within 30 days of the adverse license action. The City Council shall hold a public hearing on the appeal, using the notification procedures in section 3.2. After conducting the public hearing, the Council may uphold the adverse action taken by the Clerk, overturn the findings of the Clerk allow the license to continue, reduce a revocation to a suspension for a term set by the council, or allow continuation with additional conditions imposed upon the license.

5.4 When applying additional conditions or ordering a suspension, the Council may direct that it receive a follow-up report at a time prior to the annual license renewal.

5.5 The City Clerk shall notify the Ramsey County Sheriff's Department of any licensee whose license has expired or been surrendered, suspended, or revoked as provided by this chapter.

**SECTION 6. Severability.** It is the intention of the City Council that the several provisions of this Ordinance are separate and that if any Court of competent jurisdiction shall adjudge any provisions of this Ordinance or application thereof to be invalid, such judgment shall not effect any other provisions of this Ordinance not specifically included in such judgment.

**SECTION 7. Effective Date.** This Ordinance shall take effect and be in force from and after its passage and publication.

Dated: October 21, 2008

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Paul Emeott – Mayor

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William Short – Clerk