

## CHAPTER 324. PAWNBROKERS

**324.20. Definitions.** When used in this article, the following words shall mean:

*Pawnbroker.* Any natural person, partnership or corporation, either as principal, or agent or employee thereof, 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 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 previously used, rented or leased, or selling it on consignment, the provisions of this chapter shall be applicable.

*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:

- (1) 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.
- (2) 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. ~~is a billable transaction.~~ (95-Or-160, § 1, 12-29-95)

**324.40. License classifications.** ~~**[RESERVED]** (a) Licenses renewed under provisions of this chapter shall be classified according to the number of billable transactions submitted annually to the Minneapolis Police Department during the twelve (12) month period ending September 30 prior to renewal. The classifications shall be:~~

~~Class A – Licensees that submitted four hundred (400) or more transactions.~~

~~Class B – Licensees that submitted fewer than four hundred (400) transactions.~~

~~(b) All new licenses issued pursuant to this chapter after January 1, 1996, shall be deemed to be Class A licenses and subject to all applicable fees and regulations. (95-Or-160, § 1, 12-29-95)~~

**324.50. License fees.** (a) The annual license fees for ~~Class A and B~~ licenses issued under this chapter shall be as established in Appendix J, License Fee Schedule.

The annual license fee shall be payable semi-annually in accordance with procedures established by the director of licenses and consumer services.

~~(b) The billable transaction license fee shall be classified according to the medium by which daily reports required by section 324.100 are submitted to the Minneapolis Police Department. These classifications shall be as follows:~~

~~Modem – Required of all Class A licensees, optional for Class B licensees.~~

~~Manual – Required of all Class B licensees who do not fulfill Class A reporting requirements.~~

(eb) The billable transaction license fee shall reflect the cost of processing transactions ~~from the respective classifications~~ and other related regulatory expenses as determined by the city council, and shall be reviewed and adjusted, if necessary, at least every six (6) months. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented. ~~The billable transaction fee for modem transactions shall not exceed the billable transaction fee for manual transactions.~~

(dc) Billable transaction fees shall be billed monthly and are due and payable within thirty (30) days. Failure to do so is a violation of this chapter. (95-Or-160, § 1, 12-29-95; 2002-Or-139, § 1, 9-27-02)

**324.100. Records required.** At the time of any reportable transaction other than renewals, extensions or redemptions, every licensee must immediately, completely and accurately record in English the following information by using ~~ink or other indelible medium on forms or in~~ a computerized record system approved by the police license inspector:

- (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 therefore.
- (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, residence address, residence telephone number, date of birth and accurate description of the person from whom the item of 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 driver's license or identification card issued by another state or province of Canada.
- (7) The signature of the person identified in the transaction.
- (8) Effective sixty (60) days from the date of notification by the police license

inspector of acceptable video standards, ~~but no sooner than April 1, 1996,~~ the licensee must also take a color photograph or color video recording of:

- a. Each customer involved in a billable transaction.
- b. Every item pawned or sold that does not have a unique serial or identification number permanently engraved or affixed.

If a photograph is taken, it must be at least two (2) inches in length by two (2) 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. The major portion of the photograph must include an identifiable front facial close-up of the person who pawned or sold the item. Items photographed must be accurately depicted. 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. If a video photograph is taken, the video camera must zoom in on the person pawning or selling the item so as to include an identifiable close-up of that person's face. Items photographed by video must be accurately depicted. Video photographs must be electronically referenced by time and date so they can be readily matched and correlated with all other records of the transaction to which they relate. The licensee must inform the person that he or she is being videotaped orally and by displaying a sign of sufficient size in a conspicuous place on the premises. The licensee must keep the exposed videotape for three (3) months.

- (9) *Digitized photographs.* Effective sixty (60) days from the date of notification by the police license inspector, ~~but no sooner than July 1, 1996, Class A~~ licensees must, ~~and Class B licensees may,~~ fulfill the color photograph requirements in section 324.100 (8) by submitting them as digital images, in a format specified by the issuing authority, electronically cross-referenced to the reportable transaction they are associated with. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in subdivision (8).
- (10) *Renewals, extensions and redemptions.* For renewals, extensions and redemptions, the licensee shall provide the original transaction identifier, the date of the current transaction, and the type of transaction.
- (11) *Inspection of records.* The records must at all reasonable times be open to inspection by the police department or department of licenses and consumer services. Data entries shall be retained for at least three (3) years from the date of transaction. Entries of required digital images shall be retained a minimum of ninety (90) days. (95-Or-160, § 1, 12-29-95; 97-Or-064, § 1, 7-25-97; 2000-Or-058, § 1, 7-14-00)

**324.110. Daily reports to police.** (a) *Method.* Licensees must ~~provide to the police department the information required in section 324.100 (1) through (6), in writing, on forms approved by the business day following the date of the transaction. The licensee must display a sign of sufficient size, and in a conspicuous place in the premises, so as to inform all patrons that all transactions are reported to the police department daily. Effective sixty (60) days from the date of notification by the police license inspector, but~~

~~no sooner than ninety (90) days after the police license inspector provides licensees with computerized record standards, 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 police license inspector. 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 all patrons that all transactions are reported to the police department daily. Class A licensees must, and Class B licensees may, provide to the police department the information required in section 324.100 (1) through (6), by transferring it from their computer to the police department via modem. 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 using a dial-callback protocol or other procedures that address security concerns of the licensees and the issuing authority. The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs all patrons that all transactions are reported to the police department daily.~~
  - ~~(2) Class B licensees who do not fulfill requirements of section 324.110(a)(1) must provide to the police department the information required in section 324.100 (1) through (6), in writing, on forms approved by the police department, by 12:00 noon the first business day following the date of the transaction. The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs all patrons that all transactions are reported to the police department daily.~~
- (b) *Billable transaction fees.* Licensees, ~~regardless of class,~~ will be charged for each billable transactions ~~at the current rate for the medium by which they were reported to the police department except:~~
- ~~(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; if a Class A licensee, or a Class B licensee who has consistently reported via modem, is unable to successfully transfer the required reports by modem, the licensee must provide the police department printed copies of all reportable transactions along with the video tape(s) for that date, by 12:00 the next business day, and must be charged at the modem rate for billable transactions;~~
  - ~~(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] 324.110 (b)(1), and must be charged a fifty dollar (\$50.00) reporting failure penalty, daily, until the error is corrected; or 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 provide the required reports as detailed in [section]~~

~~324.110(b)(1), and must be charged at the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions 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] 324.110 (b)(1), and resubmit all such transactions via modem when the problem is corrected. If the problem is determined to be outside the licensee's system, the licensee must provide the required reports in detail in 324.110(b)(1), and will be billed at the modem rate for billable transactions until the error is corrected.~~
- (4) ~~If a licensee is unable to capture, digitize or transmit the photographs required in [section] 324.100 (9), the licensee must immediately take all required photographs with a still camera, cross-reference the photographs to the correct transaction, and make the pictures available to the police department upon request. If a Class A licensee, or a Class B licensee who has consistently reported via modem, is unable to capture, digitize or transmit the photographs required in section 324.100 (8) and (9), the licensee must immediately take all required photographs with a still camera, immediately develop the pictures, cross-reference the photographs to the correct transaction, and deliver them to the police department by 12:00 noon the next business day. Billable transactions will be charged at the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions until the error is corrected.~~
- (5) ~~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. Second and subsequent occurrences of circumstances detailed in section 324.110(b), (1), (2) or (4), within any six (6) consecutive months, will be charged at the manual rate for billable transactions until the error is corrected.~~
- (6) ~~Section 324.110(b) (1) through (5) notwithstanding, the police license inspector may, upon presentation of extenuating circumstances, extend the period that a qualifying licensee is billed at the modem rate for billable transactions delay implementation of the daily reporting failure penalty. (95-Or-160, § 1, 12-29-95; 97-Or-064, § 2, 7-25-97)~~