Ordinance No. 3180

(Amending or Repealing Ordinances)

CFN=175 – Business License
Passed 8/2/1994
“Pawnbrokers”, Chapter 5.05

Amended by Ord. 4007 (5.05.080;5.05.090)
ORDINANCE NO. 3180

AN ORDINANCE of the City Council of the City of Kent, Washington, amending Chapter 5.05 entitled "Pawnbrokers" to bring the provisions of said chapter into compliance with state law.

WHEREAS, Chapter 46.90 of the Revised Code of Washington (RCW) regulates the operation of pawnbrokers within the state of Washington; and

WHEREAS, Chapter 5.05 of the Kent City Code (KCC) was enacted to regulate the operation of pawnbrokers within the City of Kent; and

WHEREAS, Chapter 46.90 RCW was amended by Laws 1991, Chapter 323 and Chapter 355, resulting in inconsistencies with Chapter 5.05 KCC; and

WHEREAS, Chapter 5.05 KCC should be amended to bring its provisions into compliance with those of state law; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:
SECTION 1. Kent City Code Chapter 5.05 entitled "Pawnbrokers" is hereby amended to read as follows:

CHAPTER 5.05. PAWN BROKERS

Sec. 5.05.010. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

A. Melted metals means metals derived from junk metal or precious metals that have been reduced to a melted state from other than ore or ingots which are produced from ore that has not previously been processed.

B. Metal junk means any metal that has previously been milled, shaped, stamped, or forged and that is no longer useful in its original form, except precious metals.

C. Nonmetal junk means any nonmetal, commonly discarded item that is worn out, or has outlasted its usefulness as intended in its original form except nonmetal junk does not
include an item made in a former period which has enhanced value because of its age.

D. Pawnbroker means every person engaged, in whole or in part, in the business of loaning money on the security of pledges of personal property, or deposits or conditional sales of personal property, or the purchase or sale of personal property.

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

F. Secondhand dealer means every person engaged, in whole or in part, in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property including metal junk, melted metals, precious metals, whether or not the person maintains a fixed place of business within the state. Second-hand dealer also includes persons or entities conducting business at flea markets or swap meets, more than three times per year.

G. Secondhand property means any item of personal property offered for sale which is not new, including metals in any form, except postage stamps, coins that are legal tender, bullion in the form of fabricated hallmarked bars, used books, and clothing of a resale value of seventy-five dollars ($75.00) or less, except furs.
H. Term of the loan as defined in this chapter shall be set for a period of thirty (30) days to include the date of the loan.

I. Transaction means a pledge, or the purchase of, or consignment of, or the trade of any item of personal property by a pawnbroker or second-hand dealer from a member of the general public.

Sec. 5.05.020. Fixed place of business.

No person may operate as a pawnbroker unless the person maintains a fixed place of business within the city.

Sec. 5.05.030. Records of transactions.

A. Every pawnbroker and second-hand dealer doing business in the city shall maintain wherever that business is conducted a record in which shall be legibly written in the English language, at the time of each transaction the following information:

1. The signature of the person with whom the transaction is made;
2. The date of the transaction;
3. The name of the person or employee or the identification number of the person or employee conducting the transaction as required by the chief of police;
4. The name, date of birth, sex, height, weight, race and address and telephone number of the person with whom the transaction is made;

5. A complete description of the property pledged, bought, or consigned, including the brand name, serial number, model number or name, any initials or engravings, size, patterns, and color or stone or stones, and in the case of firearms, the caliber, barrel length, type of action, and whether it is a pistol, rifle or shotgun;

6. The price paid or the amount loaned;

7. The type and identifying number of identification used by the person with whom the transaction was made, which shall consist of a valid driver's license or identification card issued by any state or two pieces of identification issued by a governmental agency, one of which shall be descriptive of the person identified. At all times, one piece of current government issued picture identification will be required; and

8. The nature of the transaction, a number identifying the transaction, the store identification as designated by the applicable law enforcement agency or the name and address of the business and the name of the person or employee conducting the transaction, and the location of the property.

B. This record shall at all times, during the ordinary hours of business, or at reasonable times if ordinary hours of
business are not kept, be open to the inspection of any commissioned law enforcement officer of the city, state or any of its political subdivisions, and shall be maintained wherever that business is conducted for three (3) years following the date of the transaction.

Sec. 5.05.040. Report to chief of police.

A. Upon request, every pawnbroker and second-hand secondhand dealer doing business in the city shall furnish or mail within twenty-four (24) hours to the chief of police on such forms as are provided by the chief, a full, true and correct transcript of the record of all transactions conducted on the preceding day within the city. These transactions shall be recorded on such forms as may be provided and in such format as may be required by the chief of police. This information may be transmitted electronically, by facsimile transmission, or by modem or similar device, or by delivery of computer disk subject to the requirements of, and approval by, the chief of police.

B. If a pawnbroker or second-hand secondhand dealer has good cause to believe that any property in his possession has been previously lost or stolen, the pawnbroker or second-hand secondhand dealer shall promptly report that fact to the chief of police together with the name of the owner, if known, and the date when, and the name of the person from whom, it was received.
Sec. 5.05.050. Notification of stolen property.

Following notification from a law enforcement agency that an item of property has been reported as stolen, the pawnbroker or second-hand secondhand dealer shall hold that property intact and safe from alteration, damage or commingling. The pawnbroker or second-hand secondhand dealer shall place an identifying tag or other suitable identification on property so held. Property held shall not be released for one hundred twenty (120) days from the date of police notification unless released by written consent of the applicable law enforcement agency or by order of a court of competent jurisdiction. In cases where the applicable law enforcement agency has placed a verbal hold on an item, that agency must then give written notice within ten (10) business days. If such written notice is not received within that period of time, then the hold order will cease. The pawnbroker or second-hand secondhand dealer shall give a twenty (20) day ten (10) days' written notice before the expiration of the one hundred twenty (120) day one hundred twenty-day holding period to the applicable law enforcement agency about the stolen property. If notice is not given within the required twenty ten-day period, then the hold on the property shall continue for an additional one hundred twenty (120) days. The applicable law enforcement agency may renew the holding period for additional one hundred twenty (120) day one hundred twenty-day periods as necessary. After the receipt of notification from a pawnbroker or second-
hand dealer. if an additional holding period is required, the applicable law enforcement agency shall give the pawnbroker or second-hand dealer written notice, prior to the expiration of the existing hold order. A law enforcement agency shall not place on hold any item of personal property unless that agency reasonably suspects that the item of personal property is a lost or stolen item. Any hold that is placed on an item will be removed as soon as practicable after the item on hold is determined not to be stolen or lost.

Sec. 5.05.060. Retention of pawned property; inspection.

Property bought or received in pledge by any pawnbroker shall not be removed from that place of business, except when redeemed by, or returned to the owner within thirty (30) fifteen (15) days after receipt of the property. Property shall at all times during the ordinary hours of business be open to inspection to any commissioned law enforcement officer of the city, state or any of its political subdivisions.

Sec. 5.05.070. Retention of consigned property; inspection.

A. Property bought or received on consignment by a second-hand dealer with a permanent place of business in the city state shall not be removed from that place of business, except consigned property returned to the owner within thirty (30) fifteen (15) days after the receipt of the property.
Property shall, at all times during the ordinary hours of business, be open to inspection to any commissioned law enforcement officer of the city, state or any of its political subdivisions.

B. Property bought or received on consignment by a second-hand dealer without a permanent place of business in the city, shall be held within the city, except consigned property returned to the owner, for thirty (30) fifteen (15) days after receipt of the property. The property shall be available for inspection at reasonable times by any commissioned law enforcement officer of the city, state or any of its political subdivisions.

Sec. 5.05.080. Rates of interest and other fees.

A. All pawnbrokers are authorized to charge and receive interest and other fees at the rates in this section for money loaned on the security of personal property actually received in pledge. The interest shall not exceed:

1. For an amount loaned up to $9.99 - interest at $1.00 for each thirty-day period to include the loan date.

2. For an amount loaned from $10.00 to $19.99 - interest at the rate of $1.25 for each thirty-day period to include the loan date.
3. For an amount loaned from $20.00 to $24.99 - interest at the rate of $1.50 for each thirty-day period to include the loan date.

4. For an amount loaned from $25.00 to $34.99 - interest at the rate of $1.75 for each thirty-day period to include the loan date.

5. For an amount loaned from $35.00 to $39.99 - interest at the rate of $2.00 for each thirty-day period to include the loan date.

6. For an amount loaned from $40.00 to $49.99 - interest at the rate of $2.25 for each thirty-day period to include the loan date.

7. For an amount loaned from $50.00 to $59.99 - interest at the rate of $2.50 for each thirty-day period to include the loan date.

8. For an amount loaned from $60.00 to $69.99 - interest at the rate of $2.75 for each thirty-day period to include the loan date.

9. For an amount loaned from $70.00 to $79.99 - interest at the rate of $3.00 for each thirty-day period to include the loan date.

10. For the amount loaned from $80.00 to $89.99 - interest at the rate of $3.25 for each thirty-day period to include the loan date.
11. For the amount loaned from $90.00 to $99.99 - interest at the rate of $3.50 for each thirty-day period to include the loan date.

12. For the amount loaned from $100.00 or more - interest at the rate of three percent for each thirty-day period to include the loan date.

1. One dollar ($1.00) per month for an amount loaned up to nineteen dollars and ninety-nine cents ($19.99);
2. One dollar and fifty cents ($1.50) per month for an amount loaned from twenty dollars ($20.00) to thirty-nine dollars and ninety-nine cents ($39.99);
3. Two dollars ($2.00) per month for an amount loaned from forty dollars ($40.00) to seventy-five dollars and ninety-nine cents ($75.99);
4. Two dollars and fifty cents ($2.50) per month for an amount loaned from seventy-six dollars ($76.00) to one hundred dollars and ninety-nine cents ($100.99);
5. Three dollars ($3.00) per month for an amount loaned from one hundred one dollars ($101.00) to one hundred twenty-five dollars and ninety-nine cents ($125.99);
6. Three (3) percent per month for an amount loaned from one hundred twenty-six dollars ($126.00) or more.
B. The fee for preparation of documents, pledges, or reports required under the laws of the United States, the state, King County or the city shall not exceed:

1. For the amount loaned up to $4.99 - the sum of $.50;

2. For the amount loaned from $5.00 to $9.00 - the sum of $2.00;

3. For the amount loaned from $10.00 to $14.99 - the sum of $3.00;

4. For the amount loaned from $15.00 to $19.99 - the sum of $3.50;

5. For the amount loaned from $20.00 to $24.99 - the sum of $4.00;

6. For the amount loaned from $25.00 to $29.99 - the sum of $4.50;

7. For the amount loaned from $30.00 to $34.99 - the sum of $5.00;

8. For the amount loaned from $35.00 to $39.99 - the sum of $5.50;

9. For the amount loaned from $40.00 to $44.99 - the sum of $6.00;

10. For the amount loaned from $45.00 to $49.99 - the sum of $6.50;

11. For the amount loaned from $50.00 to $54.99 - the sum of $7.00;
12. For the amount loaned from $55.00 to $59.99 - the sum of $7.50;
13. For the amount loaned from $60.00 to $64.99 - the sum of $8.00;
14. For the amount loaned from $65.00 to $69.99 - the sum of $8.50;
15. For the amount loaned from $70.00 to $74.99 - the sum of $9.00;
16. For the amount loaned from $75.00 to $79.99 - the sum of $9.50;
17. For the amount loaned from $80.00 to $84.99 - the sum of $10.00;
18. For the amount loaned from $85.00 to $89.99 - the sum of $10.50;
19. For the amount loaned from $90.00 to $94.99 - the sum of $11.00;
20. For the amount loaned from $95.00 to $99.99 - the sum of $11.50;
21. For the amount loaned from $100.00 to $104.99 - the sum of $12.00;
22. For the amount loaned from $105.00 to $109.99 - the sum of $12.25;
23. For the amount loaned from $110.00 to $114.99 - the sum of $12.75;
24. For the amount loaned from $115.00 to $119.99 - the sum of $13.25;
25. For the amount loaned from $120.00 to $124.99 - the sum of $13.50;
26. For the amount loaned from $125.00 to $129.99 - the sum of $13.75;
27. For the amount loaned from $130.00 to $149.99 - the sum of $14.50;
28. For the amount loaned from $150.00 to $174.99 - the sum of $14.75;
29. For the amount loaned from $175.00 to $199.99 - the sum of $15.00;
30. For the amount loaned from $200.00 to $224.99 - the sum of $16.00;
31. For the amount loaned from $225.00 to $249.99 - the sum of $17.00;
32. For the amount loaned from $250.00 to $274.99 - the sum of $18.00;
33. For the amount loaned from $275.00 to $299.99 - the sum of $19.00;
34. For the amount loaned from $300.00 to $324.99 - the sum of $20.00;
35. For the amount loaned from $325.00 to $349.99 - the sum of $21.00;
36. For the amount loaned from $350.00 to $374.99 - the sum of $22.00;
37. For the amount loaned from $375.00 to $399.99 - the sum of $23.00;
38. For the amount loaned from $400.00 to $424.99 - the sum of $24.00;
39. For the amount loaned from $425.00 to $449.99 - the sum of $25.00;
40. For the amount loaned from $450.00 to $474.99 - the sum of $26.00;
41. For the amount loaned from $475.00 to $499.99 - the sum of $27.00;
42. For the amount loaned from $500.00 to $524.99 - the sum of $28.00;
43. For the amount loaned from $525.00 to $549.99 - the sum of $29.00;
44. For the amount loaned from $550.00 to $599.99 - the sum of $30.00;
45. For the amount loaned from $600.00 to $699.99 - the sum of $35.00;
46. For the amount loaned from $700.00 to $799.99 - the sum of $40.00;
47. For the amount loaned from $800.00 to $899.99 - the sum of $40.00;
48. For the amount loaned from $900.00 to $999.99 - the sum of $50.00;

49. For the amount loaned from $1000.00 to $1499.99 - the sum of $55.00;

50. For the amount loaned from $1500.00 to $1999.99 - the sum of $60.00;

51. For the amount loaned from $2000.00 to $2499.99 - the sum of $65.00;

52. For the amount loaned from $2500.00 to $2999.99 - the sum of $70.00;

53. For the amount loaned from $3000.00 to $3499.99 - the sum of $75.00;

54. For the amount loaned from $3500.00 to $3999.99 - the sum of $80.00;

55. For the amount loaned from $4000.00 to $4499.99 - the sum of $85.00;

56. For the amount loaned from $4500.00 or more - the sum of $90.00.

1. Fifty cents ($0.50) for the amount loaned up to four dollars and ninety nine cents ($4.99);

2. Two dollars ($2.00) for the amount loaned from five dollars ($5.00) to nine dollars and ninety nine cents ($9.99);
3. Three dollars ($3.00) for the amount loaned from ten dollars ($10.00) to nineteen dollars and ninety-nine cents ($19.99);

4. Four dollars ($4.00) for the amount loaned from twenty dollars ($20.00) to twenty-nine dollars and ninety-nine cents ($29.99);

5. Five dollars ($5.00) for the amount loaned from thirty dollars ($30.00) to thirty-nine dollars and ninety-nine cents ($39.99);

6. Six dollars ($6.00) for the amount loaned from forty dollars ($40.00) to forty-nine dollars and ninety-nine cents ($49.99);

7. Seven dollars ($7.00) for the amount loaned from fifty dollars ($50.00) to fifty-nine dollars and ninety-nine cents ($59.99);

8. Eight dollars ($8.00) for the amount loaned from sixty dollars ($60.00) to sixty-nine dollars and ninety-nine cents ($69.99);

9. Nine dollars ($9.00) for the amount loaned from seventy dollars ($70.00) to seventy-nine dollars and ninety-nine cents ($79.99);

10. Ten dollars ($10.00) for the amount loaned from eighty dollars ($80.00) to eighty-nine dollars and ninety-nine cents ($89.99);
11. Eleven dollars ($11.00) for the amount loaned from ninety dollars ($90.00) to ninety-nine dollars and ninety-nine cents ($99.99);

12. Twelve dollars ($12.00) for the amount loaned from one hundred dollars ($100.00) to one hundred twenty-four dollars and ninety-nine cents ($124.99);

13. Thirteen dollars ($13.00) for the amount loaned from one hundred twenty-five dollars ($125.00) to one hundred forty-nine dollars and ninety-nine cents ($149.99);

14. Fourteen dollars ($14.00) for the amount loaned from one hundred fifty dollars ($150.00) to one hundred seventy-four dollars and ninety-nine cents ($174.99);

15. Fifteen dollars ($15.00) for the amount loaned from one hundred seventy-five dollars ($175.00) to one hundred ninety-nine dollars and ninety-nine cents ($199.99);

16. Sixteen dollars ($16.00) for the amount loaned from two hundred dollars ($200.00) to two hundred forty-nine dollars and ninety-nine cents ($249.99);

17. Seventeen dollars ($17.00) for the amount loaned from two hundred fifty dollars ($250.00) to two hundred ninety-nine dollars and ninety-nine cents ($299.99);

18. Eighteen dollars ($18.00) for the amount loaned from three hundred dollars ($300.00) to three hundred ninety-nine dollars and ninety-nine cents ($399.99);
19. Nineteen dollars ($19.00) for the amount loaned from four hundred dollars ($400.00) to four hundred ninety nine dollars and ninety nine cents ($499.99);

20. Twenty dollars ($20.00) for the amount loaned from five hundred dollars ($500.00) or more.

C. Fees under subsection B. of this section may be charged one (1) time only during the term of a pledge.

D. A copy of this section set in twelve-point type or larger and shall be posted prominently in each premises subject to this chapter.

Sec. 5.05.090. Sale of pledged property limited.

A. A pawnbroker shall not sell any property received in pledge until both the term of the loan and a grace period of a minimum of sixty (60) days has expired within ninety (90) days after the term of the loan expires. However, if a pledged article is not redeemed within the ninety (90) day period of both the term of the loan and the grace period, the pawnbroker shall have all rights, title and interest of that item of personal property the pledgor or the pledgor's assigns. The pawnbroker shall not be required to account to the pledgor for the proceeds received from the disposition of that item. Any provision of law relating to the foreclosures and the subsequent sale of forfeited pledged items, shall not be applicable to any pledge as defined
under this chapter, the title to which is transferred in accordance with this section.

B. Every transaction entered into by a pawnbroker shall be evidenced by a written document, a copy of which shall be furnished to the pledgor. The document shall set forth the term of the loan period, the date of which the loan is due and payable, and shall inform the pledgor of the pledgor's right to redeem the pledge within sixty (60) ninety (90) days after the expiration of the loan term.

Sec. 5.05.100. Violations, penalty.

A. It is unlawful for:

1. Any person to remove, alter or obliterate any manufacturer's make, model or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property that was purchased, consigned or received in pledge. In addition an item shall not be accepted for pledge or a second-hand purchase where the manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property has been removed, altered, or obliterated;

2. Any person to knowingly make, cause or allow to be made any false entry or misstatement of any material matter in a book, record, or writing required to be kept under this chapter.
3. It is unlawful for any pawnbroker or second-hand dealer to receive any properties from any person under the age of eighteen (18) years, or any person under the influence of intoxicating liquor or drugs.

4. It is unlawful for any pawnbroker or second-hand dealer to receive any property from any person known to the pawnbroker or second-hand dealer as having been convicted of burglary, robbery, theft or possession of or receiving stolen property within the past ten (10) years whether the person is acting in his or her own behalf or as the agent of another.

5. Any pawnbroker to engage in the business of cashing or selling checks, drafts, money orders, or other commercial paper serving the same purpose unless the pawnbroker complies with the provisions of chapter 31.45 RCW; or

6. It is unlawful for any person to violate knowingly any other provisions of this chapter.

Violation of any of the sections of this chapter is a gross misdemeanor punishable by imprisonment for not more than one (1) year or a fine of not more than five thousand dollars ($5,000.00) or both.
Sec. 5.05.110. Resale agreement to avoid interest and fee restrictions prohibited.

A purchase of personal property shall not be made on the condition of selling it back at a stipulated time and price greater than the purchase price, for the purpose of avoiding the interest and fee restrictions of this chapter.

Sec. 5.05.120. Transactions excluded.

The provisions of this chapter do not apply to transactions conducted by the following:

1. Motor vehicle dealers licensed under Chapter RCW ch. 46.70 RCW;
2. Motor vehicle wreckers or hulk haulers licensed under Chapter 46.79 RCW or Chapter 46.80 RCW ch. 46.79 or 46.80;
3. Persons giving an allowance for the trade-in or exchange of secondhand property on the purchase of other merchandise of the same kind of or greater value; and
4. Persons in the business of buying or selling empty food and beverage containers or metal or nonmetal junk.

SECTION 2. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity
or constitutionality of any other section, sentence, clause or phrase of this ordinance.

SECTION 3. Effective Date. This ordinance shall take effect and be in force thirty (30) days from and after its passage, approval and publication as provided by law.

JIM WHITE, MAYOR

ATTEST:

BRENDA JACOBER, CITY CLERK

APPROVED AS TO FORM:

ROGER A. LUBOVICH, CITY ATTORNEY
PASSED ________ day of ________, 1994.
APPROVED ________ day of ________, 1994.
PUBLISHED ________ day of ________, 1994.

I hereby certify that this is a true copy of Ordinance No. 3180, passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

[Signature]
BRENDA JACOBER, CITY CLERK