

ADMINISTRATION

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 88 - 2017

DECEMBER 6, 2017

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AN ORDINANCE

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, revising Article 301 Pawnbrokers, Second Hand Dealers and Precious Metal Dealers.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That Section 301, Allentown Codified Ordinances, be amended as follows:

**ARTICLE 301**

**PAWNBROKERS, SECOND HAND DEALERS AND PRECIOUS METAL DEALERS**

301.01 Definitions  
301.02 Pawnbrokers  
301.03 Second Hand Dealers  
301.04 Precious Metal Dealers  
301.99 Penalties

**~~301.01 REPORTS TO CHIEF OF POLICE~~**

~~All pawnbrokers, jewelers, or dealers buying second hand jewelry, second hand goods or coins shall make out and deliver to the Chief of Police or his designee at his office every Monday and Thursday before 10:00 AM, a legible and accurate report of all articles taken in pawn or purchased during the previous business days. Such report shall be on a form furnished by the Chief of Police and shall contain an accurate description, as the form prescribes, of all articles taken in pawn or purchased, of the amount loaned on or paid for such articles and of the person pawning or purchasing the same. The buyer shall require proof of identity and current address of anyone selling said items. (12601 § 1 4/4/84)~~

**301.01 DEFINITIONS**

A. In this section, the following definitions shall apply:

1. Pawnbroker:

a. Any person who engages in the business of lending money on the deposit or pledge of personal property; or

b. Purchases personal property with an express or implied agreement or understanding to sell it back at a subsequent time at a stipulated price; or

c. Lends money upon goods, wares or merchandise pledged, stored or deposited as collateral security.

2. Pledge: An item of property or an article deposited with the pawnbroker as security in exchange for a loan in the course of the pawnbroker's business.

3. Pledger: The person who obtains a loan from a pawnbroker in exchange for the pledge, thus giving the pledge into the possession of the pawnbroker.

4. Pawn Ticket: The card, document or other record furnished to the pledger by the pawnbroker at the time the loan is granted in exchange for the pledge.

5. Receipt: The card, document or other record furnished to the customer at the time an item of personal property is purchased, traded or otherwise obtained (except for items obtained as a pledge from a pledger.)

6. Second Hand Dealer: An individual operating a store, shop or other business, whether or not at a permanent location, for the purpose of purchasing, trading, selling or otherwise obtaining and/or liquidating previously owned articles and moveable property. This definition shall not apply to those organizations that operate "not for profit" and obtain items of personal property only via donation.

7. Precious Metal Dealer: An individual operating a store, shop or other business, whether or not at a permanent location, for the purpose of purchasing, trading, selling or otherwise obtaining and/or liquidating previously owned articles of personal property containing precious metals, including, but not limited to platinum, gold, silver and their alloys.

## **301.02 PAWNBROKERS**

A. Permits:

1. No person shall act as a pawnbroker prior to obtaining a Pawnbroker's Permit issued by the City of Allentown. No Pawnbroker's Permit shall be issued by the City of Allentown until the person has been properly licensed by the Commonwealth as required by the Pawnbrokers Licensing Act, 63 P.S. §§ 281-1- 281-32.

2. Pawnbroker's Permits shall be obtained annually from the Bureau of Business Licensing for a fee of \$100.00

3. Permits shall require photograph, fingerprinting and criminal history checks to be completed by the Bureau of Police.

#### B. General Requirements:

1. No pawnbroker may purchase an article of personal property from, receive a pledge of personal property from or exchange personal property with a customer or pledger who is under the age of 18 years.

2. No pawnbroker may purchase an article of personal property from, receive a pledge of personal property from or exchange personal property with a customer or pledger without first obtaining the following:

a. A digital photograph of the customer/pledger;

b. A clear imprint of the left thumbprint of the customer/pledger;

c. Valid identification from the customer/pledger, consisting of at least one of the following:

(i) A valid identification document, containing a photograph issued by any State or Federal government agency;

(ii) A valid motor vehicle operator's license containing a photograph issued by any state;

(iii) A valid military identification card containing a photograph.

3. Every pawnbroker shall issue a pawn ticket to every customer delivering a pledge of personal property to the pawnbroker.

#### C. Reports to the Police

1. Every pawnbroker shall use a secure, internet-accessible electronic inventory tracking system, as designated by the Bureau of Police. Each pawnbroker shall maintain on its premises a computer which is capable of securely and confidentially uploading all required tracking information as specified by the Bureau of Police, via the internet to an entity designated by the Bureau of Police. No later than the end of each business day, every pawnbroker must upload, in the manner specified by the Bureau of Police, the required tracking information for all articles of personal property purchased, pledged, traded or otherwise obtained during the course of the business day.

2. The Bureau of Police shall issue regulations designating the form and content of pawn tickets, receipts, the internet-accessible electronic inventory tracking system to be used by each pawnbroker and the required tracking information to be recorded for each transaction. The entity chosen by the Bureau of Police to administer the electronic tracking system shall ensure that all data remain secure and confidential by providing to each pawnbroker login security protocols which meet current industry standards and shall employ state of the art technology to protect the data from all forms of unauthorized access and malicious intrusion.

#### D. Holding Period

1. Every pawnbroker shall keep for a period of not less than 90 days from the date of receipt and in a suitable location for safekeeping, any article of personal property that was received as a pledge; provided that any person who presents adequate identification (as set forth above) to demonstrate that he/she is the person named on the pawn ticket as the pledger/owner of the article of personal property may redeem or otherwise retrieve the article of personal property prior to the expiration of the 90 day holding period.

2. Every pawnbroker shall keep for a period of not less than 15 days from the date of receipt and in a suitable location for safekeeping, any article of personal property that was purchased, traded or otherwise obtained (in some way other than as a pledge) from an individual.

3. During the holding period, any article of personal property received as a pledge, purchased, traded or otherwise obtained shall be segregated from the pawnbroker's other inventory to ensure that it is not placed in an area or section where articles of personal property are offered for sale.

4. Articles of personal property retained during the holding period may not be altered in any way.

#### E. Inspection by Police

1. The pawnbroker shall allow any City of Allentown police officer to inspect any article of personal property held in inventory or retained pursuant to the holding period described above, without requiring such police officer to present a warrant or other order issued by the Court.

2. If the police officer has a reasonable belief that any article of personal property was obtained by the pawnbroker from anyone other than the rightful owner of said article of personal property, then the officer may direct the pawnbroker to hold the article of personal property until ownership may be determined.

3. If the police officer has probable cause to believe that an article of personal property was obtained by the pawnbroker from anyone other than the rightful owner of said article of personal property, then the officer may, without a warrant or other order issued by the Court, seize and take into custody the article of personal property to be safeguarded at a location maintained by the Bureau of Police. When an article of personal property is seized and taken into custody by a police officer, that officer shall provide the pawnbroker with a receipt that describes the said article, identifies the officer by name and badge number and the case/incident number assigned to the investigation that the said article of personal property is related to. The pawnbroker shall also then be notified of any and all Court proceedings related to the said investigation.

### **301.03 SECOND HAND DEALERS**

#### A. Permits:

1. No person shall act as a second hand dealer prior to obtaining a Second Hand Dealer's Permit issued by the City of Allentown. Second hand dealers shall comply with the Junk and Secondhand Registration Law, 53 P.S. §§ 4431-4433, and the Brass and Bronze Cemetery Vase, Receptacle or Markers Secondhand Purchase Law, 53 P.S. §§ 4441-4445, as amended.

2. Second Hand Dealer's Permits shall be obtained annually from the Bureau of Business Licensing for a fee of \$100.00

3. Permits shall require photograph, fingerprinting and criminal history checks to be completed by the Bureau of Police.

B. General Requirements:

1. No second hand dealer may purchase an article of personal property from or exchange personal property with a customer who is under the age of 18 years.

2. No second hand dealer may purchase an article of personal property from or exchange personal property with a customer without first obtaining the following:

a. A digital photograph of the customer.

b. A clear imprint of the left thumbprint of the customer.

c. Valid identification from the customer, consisting of at least one of the following:

(i) A valid identification document, containing a photograph issued by any State or Federal government agency;

(ii) A valid motor vehicle operator's license containing a photograph issued by any state;

(iii) A valid military identification card containing a photograph.

C. Reports to the Police

1. Every second hand dealer shall use a secure, internet-accessible electronic inventory tracking system, as designated by the Bureau of Police. Each second hand dealer shall maintain on its premises a computer which is capable of securely and confidentially uploading all required tracking information as specified by the Bureau of Police, via the internet to an entity designated by the Bureau of Police. No later than the end of each business day, every second hand dealer must upload, in the manner specified by the Bureau of Police, the required tracking information for all articles of personal property purchased, traded or otherwise obtained during the course of the business day.

2. The Bureau of Police shall issue regulations designating the form and content of receipts, the internet-accessible electronic inventory tracking system to be used by each second hand dealer and the required tracking information to be recorded for each transaction. The entity chosen by the Bureau of Police to administer the electronic tracking system shall ensure that all data remain secure and confidential by providing to each second hand dealer login security protocols which meet current industry standards and shall employ state of the art technology to protect the data from all forms of unauthorized access and malicious intrusion.

D. Holding Period

1. Every second hand dealer shall keep for a period of not less than 15 days from the date of receipt and in a suitable location for safekeeping, any article of personal property that was purchased, traded or otherwise obtained by an individual.

2. During the holding period, any article of personal property purchased, traded or otherwise obtained shall be segregated from the second hand dealer's other inventory to ensure that it is not placed in an area or section where articles of personal property are offered for sale.

3. Articles of personal property retained during the holding period may not be altered in any way.

#### E. Inspection by the Police

1. The second hand dealer shall allow any City of Allentown police officer to inspect any article of personal property held in inventory or retained pursuant to the holding period described above, without requiring such police officer to present a warrant or other order issued by the Court.

2. If the police officer has a reasonable belief that any article of personal property was obtained by the second hand dealer from anyone other than the rightful owner of said article of personal property, then the officer may direct the second hand dealer to hold the article of personal property until ownership may be determined.

3. If the police officer has probable cause to believe that an article of personal property was obtained by the second hand dealer from anyone other than the rightful owner of said article of personal property, then the officer may, without a warrant or other order issued by the Court, seize and take into custody the article of personal property to be safeguarded at a location maintained by the Bureau of Police. When an article of personal property is seized and taken into custody by a police officer, that officer shall provide the second hand dealer with a receipt that describes the said article, identifies the officer by name and badge number and the case/incident number assigned to the investigation that the said article of personal property is related to. The second hand dealer shall also then be notified of any and all Court proceedings related to the said investigation.

### **301.04 PRECIOUS METAL DEALERS**

#### A. Permits:

1. No person shall act as a precious metal dealer prior to obtaining a Precious Metal Dealer's Permit issued by the City of Allentown. Precious metal dealers shall comply with the Purchase and Sale of Precious Metals Law, 73 P.S. §§ 1931-1942, as amended.

2. Precious Metal Dealer's Permits shall be obtained annually from the Bureau of Business Licensing for a fee of \$100.00

3. Permits shall require photograph, fingerprinting and criminal history checks to be completed by the Bureau of Police.

#### B. General Requirements:

1. No precious metal dealer may purchase an article of personal property from, or exchange personal property with a customer who is under the age of 18 years.

2. No precious metal dealer may purchase an article of personal property, or exchange personal property with a customer without first obtaining the following:

a. A digital photograph of the customer.

b. A clear imprint of the left thumbprint of the customer.

c. Valid identification from the customer/pledger, consisting of at least one of the following:

(i) A valid identification document, containing a photograph issued by any State or Federal government agency;

(ii) A valid motor vehicle operator's license containing a photograph issued by any state;

(iii) A valid military identification card containing a photograph

#### C. Reports to the Police

1. Every precious metal dealer shall use a secure, internet-accessible electronic inventory tracking system, as designated by the Bureau of Police. Each precious metal dealer shall maintain on its premises a computer which is capable of securely and confidentially uploading all required tracking information as specified by the Bureau of Police, via the internet to an entity designated by the Bureau of Police. No later than the end of each business day, every pawnbroker must upload, in the manner specified by the Bureau of Police, the required tracking information for all articles of personal property purchased, traded or otherwise obtained during the course of the business day.

2. The Bureau of Police shall issue regulations designating the form and content of, receipts, the internet-accessible electronic inventory tracking system to be used by each precious metal dealer and the required tracking information to be recorded for each transaction. The entity chosen by the Bureau of Police to administer the electronic tracking system shall ensure that all data remain secure and confidential by providing to each precious metal dealer login security protocols which meet current industry standards and shall employ state of the art technology to protect the data from all forms of unauthorized access and malicious intrusion.

#### D. Holding Period

1. Every precious metal dealer shall keep for a period of not less than 15 days from the date of receipt and in a suitable location for safekeeping, any article of personal property that was purchased, traded or otherwise obtained by an individual.

2. During the holding period, any article of personal property received purchased, traded or otherwise obtained shall be segregated from the precious metal dealer's other inventory to ensure that it is not placed in an area or section where articles of personal property are offered for sale.

3. Articles of personal property retained during the holding period may not be altered in any way.

#### E. Inspection by the Police

1. The precious metal dealer shall allow any City of Allentown police officer to inspect any article of personal property held in inventory or retained pursuant to the holding period described above, without requiring such police officer to present a warrant or other order issued by the Court.

2. If the police officer has a reasonable belief that any article of personal property was obtained by the precious metal dealer from anyone other than the rightful owner of said article of personal property, then the officer may direct the precious metal dealer to hold the article of personal property until ownership may be determined.

3. If the police officer has probable cause to believe that an article of personal property was obtained by the precious metal dealer from anyone other than the rightful owner of said article of personal property, then the officer may, without a warrant or other order issued by the Court, seize and take into custody the article of personal property to be safeguarded at a location maintained by the Bureau of Police. When an article of personal property is seized and taken into custody by a police officer, that officer shall provide the precious metal dealer with a receipt that describes the said article, identifies the officer by name and badge number and the case/incident number assigned to the investigation that the said article of personal property is related to. The precious metal dealer shall also then be notified of any and all Court proceedings related to the said investigation.

### **301.99 PENALTY**

Any person violating the provisions of this Article shall be fined not less than One hundred (\$100.00) Dollars but not more than Five Hundred (\$500.00) Dollars or imprisoned not more than ninety (90) days or both. (11995 § 1 2/21/73; 14091 § 1 6/6/03)



- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

*This Bill originates from the Police Department / Criminal Investigations Division*

- **Summary and Facts of the Bill**

*The Bill reflects significant updates to City Code, Article 301, related to Pawnbrokers, Second Hand Dealers, and Precious Metal Dealers. In particular, it requires "Electronic Reporting" of items purchased by these businesses.*

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

*This Bill will require these types of businesses, identified above, to report their purchases electronically. Electronic reporting will allow investigators too much more efficiently identify stolen items and those suspects who sell them to local businesses, which will enable investigators to recover more stolen items and return them to their rightful owners. The long-term goal is to reduce theft and the financial loss incurred by those who fall victim to theft.*

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

*A vendor named RAPID will provide the Allentown Police Department with the required services for a fee of \$200 per business. This cost will be offset by a \$100 annual fee charged by the City for business registration, which is written into this ordinance. In 2017, there is \$6,500 budgeted for this program. At the time of this writing, there are approximately 30 businesses in Allentown that would be subject to this ordinance revision / electronic reporting.*

*The financial breakdown is as follows:*

Budgeted Expense	\$6,500	
Monies derived annually by \$100 fee	\$3,000 (based on 30 businesses)	
<b><u>Total</u></b>	<b><u>\$9,500</u></b>	
Paid to vendor to manage program	\$6,000 (based on 30 businesses at \$200 each)	
Total Remaining Funds	<b><u>\$3,500</u></b>	

- **Funding Sources – Please include the following in your explanation:**

- If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.

- **Priority status/Deadlines, if any**

*No deadlines exist.*

- **Why should Council unanimously support this bill?**

*By supporting this ordinance change / electronic reporting, Council will enable police investigators to much more efficiently identify stolen items, recover stolen items, and prosecute those persons who commit theft related offenses. Ultimately, this will provide the citizens of Allentown with a safer environment in which to live, work and play.*