



500 CENTER AVENUE, BOX 779, MOORHEAD, MINNESOTA 56561
(218) 299-5166 TDD 711

PAWN BROKER'S LICENSE APPLICATION

"PAWN BROKER" - Any person, partnership, association, or other legal entity or any agent or employee thereof who: a) Loans money on deposit or pledge of personal property, or other valuable thing; b) Deals in the purchasing of personal property or other valuable thing, on condition of selling the same back again at a stipulated price; or c) Loans money, secured by chattel mortgage on personal property, taking possession of the property or any part thereof so mortgaged. D) 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.

Business Name: _____

Business Address: _____ Phone #: _____

Applicant's Name: _____

Date of Birth : _____ Soc. Sec. #: _____

Home Address: _____

Home Phone #: _____ E-Mail Address _____

Applicant's address(s) for the past 10 years: _____

Applicant's employer(s) for the past 10 years (NAME & ADDRESS): _____

CORPORATION: List officers (first, middle and last name*), titles, date of birth, and address:

Name and address of all persons having a financial interest in this business: _____

License Fee:\$ 500 (New applicants)
.....250 (Renewal)

Bond..... \$5,000

Investigation Fee.....\$ 250 (New applicants)

I agree to abide by the laws, ordinances and regulations pertaining to this license. I further agree to provide the Moorhead Police Department with the records required by Section 2-5C-11 of the Moorhead City Code, in a format as required by the Police Department.

SIGNATURE _____ DATE _____

**CERTIFICATION OF COMPLIANCE WITH THE
MINNESOTA WORKER'S COMPENSATION LAW**

In accordance with Minnesota Statutes §176.182, every state or local licensing agency is required to withhold the issuance or renewal of a business license or permit until the applicant presents acceptable evidence of compliance with the worker's compensation insurance coverage requirement. Applicants are required to provide the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure.

Print Full Name _____

Doing Business As (Print Business Name) _____

Mailing Address _____

Type of Business (for example: construction, trucking, logging) _____

Worker's Compensation Insurance Company Name _____

Policy No. _____ Date of Coverage _____ through _____

I certify that I am not required to carry worker's compensation insurance because (check one)

_____ I am a sole proprietor or partner and I have no employees.

_____ I have no employees who are covered by the worker's compensation law. (Only employees specifically exempted by statute are not covered by the worker's compensation law. These include: Spouse, Parent; Children, regardless of age; and farm labor employees of a family farm that spent less than \$8,000 for labor in the previous calendar year. All other workers whose work activity is controlled by the employer must be covered.)

I certify that the information provided above is accurate and complete. I understand that this information will be verified by the Minnesota Department of Labor & Industry, and that I am subject to a \$2,000 penalty if the information provided is false.

SIGNATURE _____ DATE _____



MOORHEAD CITY CODE

Title 2. BUSINESS AND LICENSE REGULATIONS

Chapter 5. RETAILERS

Article C. PAWN BROKERS

2-5C-1: PURPOSE:

The city council finds that use of services provided by pawnbrokers provides an opportunity for the commission of crimes and their concealment because these businesses may provide the ability to receive and transfer property stolen by others easily and quickly. The council also finds that consumer protection regulation is warranted in transactions covered by this chapter. The council further finds that these activities have outgrown the city's current ability to effectively or efficiently identify criminal activity related to pawnshops. The purpose of this article is to prevent these businesses from being used as facilities for the commission of crimes and to assure that such businesses comply with basic consumer protection standards, thereby protecting the public health, safety and general welfare of the citizens of the city. To help the police department better regulate current and future pawn businesses, decrease and stabilize costs associated with the regulation of the pawn industry, and increase identification of criminal activities in the pawn industry through the timely collection and sharing of pawn transaction information, this article also implements and establishes the required use of the automated pawn system (APS). (Ord. 2004-8, 4-19-2004)

2-5C-2: DEFINITIONS:

BILLABLE TRANSACTION: Every reportable transaction conducted by a pawnbroker except: Renewals, redemptions or extensions of existing pawns on items previously reported and continuously in the licensee's possession.

LICENSEE: All pawnbrokers required to be licensed by this article.

PAWNBROKER: Any person who:

- A. Loans money on deposit or pledge of personal property, or other valuable thing;
- B. Deals in the purchasing of personal property or other valuable thing, on condition of selling the same back again at a stipulated price; or
- C. Loans money, secured by chattel mortgage on personal property, taking possession of the property or any part thereof so mortgaged.
- D. 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 article shall be applicable.

PERSON: Any individual, partnership or association or any other legal entity, or any agent or employee thereof.

REGULATED TRANSACTION: Includes all purchases, loans, pawns, trades or consignments made by a pawnbroker.

REPORTABLE TRANSACTION: Includes 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, is reportable except:

A. 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.

B. Retail and wholesale sales of merchandise originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired. (Ord. 2004-8, 4-19-2004)

2-5C-3: FIXED PREMISES AND LICENSE REQUIRED:

No person shall engage in business as a pawnbroker unless said person has a fixed premises where said business is conducted, either on a continuing basis or from time to time, and unless said person has first obtained a license to engage in that business at that premises. A separate license is required for each place of business. The city may issue more than one license to a person if the person complies with the requirements of this article. A license issued under this article shall be prominently displayed at the licensed premises during hours when such premises is open for business. If, during the effective period of a license issued under this article, a licensee changes the location of the licensed premises within the city, such licensee shall inform the city auditor and the chief of police of such change of location and shall have the new premises to be licensed noted on the license. There shall be no additional fee charged for changing the location of the licensed premises. The operation of a business as a pawnbroker without a license as required by this section shall be a misdemeanor. (Ord. 2004-8, 4-19-2004)

2-5C-4: LICENSE AND RENEWAL:

A. Any person desiring to obtain, renew or transfer a license required by section [2-5C-3](#) of this article shall make and file an application for such license with the city council. The application shall be made on a form approved by the chief of police and made available through the office of the city clerk. In addition to the information required on the application form, the city council, in its discretion, may require such other information as it deems necessary in determining whether a license should be issued to the applicant.

B. The holder of an existing license issued pursuant to the provisions of this article who desires to renew said license for another license year, shall not be required to make and file a new application under this section but shall make and file a renewal application under the provisions of this section which shall require the payment of the yearly license fee and shall include an affidavit indicating the current name and address of the licensee, and if said licensee is a corporation, the names and

addresses of the resident manager, all corporate officers, and all shareholders holding more than five percent (5%) of the outstanding stock of the corporation, and such other information as the city may require. The renewal application and affidavit shall be on a form to be prescribed by the chief of police made available through the city clerk's office.

C. The application for a new license or renewal of a license shall require that the applicant agrees to provide the police department with the records required by section [2-5C-11](#) of this article in a format, including electronically transmitted digital data, as required by the police department.

D. The chief of police shall investigate the facts stated in the application filed with the city council and shall report the results of the investigation to the city council prior to the hearing on said application. Said investigation and report shall include the character, reputation, fitness of the applicant to hold a license, any other pertinent information and the recommendation of the chief of police as to whether or not such license shall be granted. In addition, the city council may request and consider such other recommendations and reports of any other city officials. (Ord. 2004-8, 4-19-2004)

2-5C-5: BOND:

Before a license will be issued or renewed, every applicant must submit a bond as established by the city's fee schedule on the forms provided by the city clerk's office, with sufficient sureties to be approved by the city clerk's office. All bonds must be conditioned that the principal will observe all laws in relation to pawnbrokers and will conduct business in conformity thereto, and that the principal will account for and deliver to any person legally entitled any goods which have come into the principal's hand through the principal's business under this article, or in lieu thereof, will pay the reasonable value in money to the person. The bond shall contain a provision that no bond may be canceled except upon thirty (30) days' written notice of the chief of police. (Ord. 2004-8, 4-19-2004; amd. Ord. 2007-30, 1-7-2008, eff. retroactive to 1-1-2008)

2-5C-6: LICENSE AND APPLICATION FEE:

The fee for issuance of a license to engage in business as a pawnbroker shall be as established by the city's fee schedule. A renewal for an existing license shall be as established by the city's fee schedule. Both the application fee and the renewal fee will be reviewed by the city council on a yearly basis. (Ord. 2004-8, 4-19-2004; amd. Ord. 2007-30, 1-7-2008, eff. retroactive to 1-1-2008)

2-5C-7: INVESTIGATION FEE:

The fee for the investigation of an initial application or renewal for a license to engage in business as a pawnbroker shall be paid to the city clerk's office at the time an application is submitted. The amount of the investigation fee shall be set by the chief of police in an amount sufficient to cover the expense of conducting any required investigation and approved by resolution of the city council. (Ord. 2004-8, 4-19-2004)

2-5C-8: SUSPENSION OR REVOCATION OF LICENSE:

A license issued under this article shall be valid and effective until December 31 of the year for which

the license applies. Every license issued under the provisions of this article shall be issued upon the understanding that such license may be revoked or suspended by the city council at any time for good cause, for failure to comply with any provision of this article, or by any fraud, misrepresentation, bribery, or false statements in application, investigation, securing or renewing a license, or the conviction of a license holder of a violation of this article or any criminal conviction related to theft of property or violation of state banking laws or regulations or any felony conviction. Notice of such revocation or suspension must be sent to the licensee by certified mail addressed to the licensee at the address set forth in the application. The chief of police shall be notified of the revocation or suspension of any license. The licensee may appeal a revocation or suspension to the city council and request a public hearing on such revocation or suspension. (Ord. 2004-8, 4-19-2004)

2-5C-9: ACTS PROHIBITED BY MINORS:

No person under the age of eighteen (18) years shall pawn, sell, or otherwise initiate a regulated transaction with any person licensed to do business under this article nor may any licensee receive any goods from a person under the age of eighteen (18) years. No person under the age of eighteen (18) years shall represent to any person licensed under the provisions of this article, that he is eighteen (18) years of age or over. (Ord. 2004-8, 4-19-2004)

2-5C-10: BILLABLE TRANSACTION FEES:

The billable transaction fee shall reflect the cost of processing transactions and other related regulatory expenses as determined by the city council, and shall be reviewed and adjusted, if necessary, every six (6) months.

A. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented.

B. Transaction fees shall be billed monthly and are due and payable within thirty (30) days. Failure to do so is a violation of this article.

Licensees may collect the billable transaction fee from the customer. (Ord. 2004-8, 4-19-2004)

2-5C-11: RECORDS REQUIRED:

At the time of any reportable transaction other than renewals, extensions or redemptions, every licensee must immediately record in English the following information by using ink or other indelible medium on forms or in a computerized record approved by the chief of police. Such record shall specifically include:

A. Description Of Items: 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.

B. Amount Advanced Or Paid: The purchase price, amount of money loaned upon, or pledged.

C. Transaction Requirements: The maturity date of the transaction and the amount due, including monthly and annual interest rates and all pawn fees and charges.

D. Transaction Identifier: 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.

E. Description Of Pledger Or Seller: Full name, current residence address and phone number, date of birth and accurate description of the person from whom the item of the property was received including sex, height, weight, race, color of eyes and color of hair.

F. Identification Card: The identification number and state of issue of a current valid state of Minnesota driver's license or identification card or current valid photo driver's license or identification card from another state or province in Canada.

G. Signature Required: The signature of the person identified in the transaction.

H. Color Photograph: Effective sixty (60) days from the date of the notification by the chief of police of acceptable video standards, the licensee must also take a color photograph or color video recording of:

1. Each customer involved in a billable transaction.
2. 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 inches (2") in length by two inches (2") 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.

I. Digitized Photographs: Effective sixty (60) days from the date of notification by the police department licensees must fulfill the color photograph requirements in subsection H of this section 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 subsection H of this section.

J. Renewals, Extensions And Redemptions: For renewals, extensions and redemptions, the licensee shall provide the original transaction identified, the date of the current transaction, and the type of the transaction.

K. 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. (Ord. 2004-8, 4-19-2004)

2-5C-12: DAILY REPORTS TO POLICE:

Effective no later than sixty (60) days after the police department provides licensees with computerized record standards, licensees must submit every reportable transaction to the police department daily in the following manner:

Licensees must provide to the police department all information required in subsections [2-5C-11A](#) through F of this article and other required information, by transferring it from their computer to the automated pawn system 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 using procedures that address security concerns of the licensee and the issuing authority. If a licensee is unable to successfully transfer the required reports by modem, the licensee must provide the police department printed copies of all reportable transactions, by twelve o'clock (12:00) noon the next business day. 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, and must be charged a fifty dollar (\$50.00) reporting failure penalty, daily, until the error is corrected.

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 has existed. The police department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty. (Ord. 2004-8, 4-19-2004)

2-5C-13: RECEIPT REQUIRED:

Every licensee must provide a receipt to the party identified in every reportable transaction and must maintain a duplicate of that receipt for three (3) years. The receipt must include at least the following information:

- A. The name, address, and telephone number of the licensed business.
- B. The date and time the item was received by the licensee.
- C. Whether the item was pawned or sold, or the nature of the transaction.

D. An accurate description of each item received including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such an item.

E. The signature or unique identifier of the licensee or employee that conducted the transaction.

F. The amount advanced or paid.

G. The monthly and annual interest rates, including all pawn fees and charges.

H. The last regular day of business by which the item must be redeemed by the pledger without risk that the item will be sold, and the amount necessary to redeem the pawned item on that date.

I. The full name, current residence address, current residence telephone number, and date of birth of the pledger or seller.

J. The identification number and state of issue of a current valid Minnesota state driver's license or identification card or current valid photo driver's license or identification card from another state or province in Canada.

K. Description of the pledger or seller including approximate sex, height, weight, race, color of eyes and color of hair.

L. The signature of the pledger or seller. (Ord. 2004-8, 4-19-2004)

2-5C-14: REDEMPTION PERIOD:

Any person pledging, pawning or depositing an item for security must have a minimum of sixty (60) days from the date of that transaction to redeem the item before it may be forfeited or sold. During the sixty (60) day period, items may not be removed from the licensed location. Licensees are prohibited from redeeming any item to anyone other than the person whom the receipt was issued or, to any person identified in a written and notarized authorization to redeem the property identified in the receipt, or to a person identified in writing by the pledger at the time of the initial transaction and signed by the pledger, or with the approval of the police license inspector. Written authorization for release of property to persons other than original pledger must be maintained along with the original transaction record. (Ord. 2004-8, 4-19-2004)

2-5C-15: HOLDING PERIOD:

Any item purchased by a licensee must not be sold or otherwise transferred for thirty (30) days from the date of the transaction. An individual may redeem an item seventy two (72) hours after the item was received on deposit, excluding Sundays and legal holidays. (Ord. 2004-8, 4-19-2004)

2-5C-16: ARTICLES AVAILABLE FOR INSPECTION:

All personal property, other valuable things, precious metals or precious gems purchased or received

by a pawnbroker in a regulated transaction shall be made available for inspection by city police officers during reasonable business hours during the holding period or until the pawnbroker disposes of same. (Ord. 2004-8, 4-19-2004)

2-5C-17: POLICE ORDER TO HOLD PROPERTY:

A. Investigative Hold: Whenever a law enforcement official from any agency notifies a licensee not to sell an item, the item must not be sold or removed from the premises. The investigative hold shall be confirmed in writing by the originating agency within seventy two (72) hours and will remain in effect for fifteen (15) days from the date of initial notification, or until the investigative order is canceled, or until an order to hold/confiscate is issued, pursuant to subsection B of this section, whichever comes first.

B. Order To Hold: Whenever the chief of police, or the chief's designee, notifies a licensee not to sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the chief or the chief's designee. The order to hold shall expire ninety (90) days from the date it is placed unless the chief of police or the chief's designee determines the hold is still necessary and notifies the licensee in writing.

C. Order To Confiscate: If an item is identified as stolen or evidence in a criminal case, the chief or chief's designee may:

1. Physically confiscate and remove it from the shop, pursuant to a written order from the chief or the chief's designee,
2. Place the item on hold or extend the hold as provided in subsection B of this section and leave it in the shop.

When an item is confiscated, the person doing so shall provide identification upon request of the licensee, and shall provide the licensee the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation.

When an order to hold/confiscate is no longer necessary, the chief of police, or chief's designee shall so notify the licensee. (Ord. 2004-8, 4-19-2004)

2-5C-18: LABEL REQUIRED:

Licensee must attach a label to every item at the time it is pawned, purchased or received in inventory from any reportable transaction. Permanently recorded on this label must be the number or name that identifies the transaction in the shop's records, the transaction date, the name of the item, and the description or the model and serial number of the item as reported to the police department, whichever is applicable, and the date the item is out of pawn or can be sold, if applicable. Labels shall not be reused. (Ord. 2004-8, 4-19-2004)

2-5C-19: PROHIBITED ACTS:

- A. No licensee may receive any goods from an intoxicated person.
- B. No licensee may receive any goods, unless the seller presents identification in the form of a valid driver's license, a valid state of Minnesota identification card, or current valid photo driver's license or identification card issued by the state or providence of residency of the person from whom the item was received.
- C. No licensee may receive any item of property that possesses an altered or obliterated serial number or operation identification number or an item of property that has had its serial number removed.
- D. No person may pawn, pledge, sell, consign, leave, or deposit any article of property not their own; nor shall any person pawn, pledge, sell, consign, leave, or deposit the property of another, whether with permission or without; nor shall any person pawn, pledge, sell, consign, leave, or deposit any article of property in which another has a security interest; with any licensee.
- E. No person seeking to pawn, pledge, sell, consign, leave, or deposit any article of property with any licensee shall give a false or fictitious name; nor give a false date of birth; nor give a false or out of date address of residence or telephone number; nor present a false or altered identification, or the identification of another; to any licensee. (Ord. 2004-8, 4-19-2004)

2-5C-20: PENALTY:

Violations of this article shall be a misdemeanor. (Ord. 2004-8, 4-19-2004)