

CITY OF WAUSAU LICENSE APPLICATION

2nd Hand Dealer / Pawnbroker

Submit the completed application along with the license fee to the City Clerk at 407 Grant Street, Wausau, WI 54403

Date of Application: _____ Licensing Year: _____

Name of Business: _____ Ownership Type: _____

Business Address: _____ Business Phone: _____

State Seller's Permit # _____ FEIN #: _____

Owner/Officers Name(s)	Home Address (How long have you lived there?) List prior addresses if less than 10 years.	Home Ph #	Date & Place of Birth	Driver's License #

Answer the Following Questions Completely	No	Yes	Date Rec'd
1. Have you read the Wausau Municipal Code Chapter 5.52 as it relates to 2 nd Hand Article Dealers, Pawnbrokers and 2 nd Hand Jewelry Dealers?			
2. Have you provided all information requested for all owners, partners, officers or members of the business requesting the license as required by the licensing authority?			
3. Has this business, or any person included in this application been previously denied or had revoked or suspended a pawnbroker, secondhand article dealer or secondhand jewelry dealer license from any other governmental unit? If so, you must provide information as to date, location, and reason for the action.			
4. Has any member of the business been convicted within the preceding 10 years of a felony or within the preceding 5 years of a misdemeanor, statutory violation punishable by forfeiture or county or municipal ordinance violation in which the circumstances of the felony, misdemeanor or other offense substantially relates to the circumstances of the license activity being applied for? If yes, state the nature and date of the offense and penalty assessed on the back of this application.			
5. Have you provided the City Clerk a \$2,500 bond with not less than 2 sureties for the observation of all municipal ordinances or state or federal laws relating to pawn and secondhand article or secondhand jewelry dealers. The bond must be in full force and effect at all times during the term of the license.?			

Chapter 5.52

PAWNBROKERS, SECONDHAND ARTICLE DEALERS AND SECONDHAND JEWELRY DEALERS

Sections:

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5.52.010 Authority. (a) This ordinance is adopted by the common council under the authority granted by Section 134.71 of the Wisconsin Statutes.

5.52.020 Purpose. (a) The city council finds that use of services provided by pawnbrokers provides an opportunity for the commission of crimes and their concealment because pawn businesses have the ability to receive and transfer property stolen by others easily and quickly. The city council also finds that consumer protection regulation is warranted in transactions involving pawnbrokers. The city council further finds that the pawn industry has outgrown the city's current ability to effectively or efficiently identify criminal activity related to pawn shops. The purpose of this chapter is to prevent pawn businesses, secondhand stores, and secondhand jewelry dealers 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.

(b) To help the police department better regulate current and future pawn businesses, secondhand article dealers, and secondhand jewelry stores 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 chapter also implements and establishes the required use of the automate pawn system (APS).

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

- (a) “Article” means any item of value.
- (b) “Billable transaction” means very reportable transaction conducted by a pawnbroker and secondhand article and secondhand jewelry dealer except renewals, redemptions or extensions of existing pawns, secondhand articles or secondhand jewelry articles on items previously reported and continuously in the licensee's possession, voided transactions, and confiscations.
- (c) “Charitable organization” means a corporation, trust, or community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.
- (d) “Customer” means a person with whom a pawnbroker, secondhand article dealer or secondhand jewelry dealer, or an agent thereof, engages in a transaction of purchase, sale, receipt, or exchange of any secondhand article.
- (e) “Pawnbroker” means any person who engages in the business of lending money on the deposit or pledge of any article or purchasing any article with an expressed or implied agreement or understanding to sell it back at a subsequent time at a stipulated price. To the extent that a pawnbroker’s business includes buying personal property previously used, rented, leased, or selling it on consignment, the provisions of this chapter shall be applicable. A person is not acting as a pawnbroker when engaging in any of the following:
 - (1) Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem, or antique show, or a convention.
 - (2) Any transaction entered into by a person engaged in the business of junk collector, junk dealer, or scrap processor, as described in Section 70.995(2)(x), Wis. Stats.;
 - (3) Any transaction while operating as a charitable organization or conducting a sale, the proceeds of which are donated to a charitable organization;
 - (4) Any transaction between a buyer of a new article and the person who sold the article when new that involves any of the following:
 - (A) The return of the article;
 - (B) The exchange of the article for a different, new article.

(5) Any transaction as a purchaser of a secondhand article from a charitable organization if the secondhand article was a gift to the charitable organization;

(6) Any transaction as a seller of a secondhand article that the person bought from a charitable organization if the secondhand article was a gift to the charitable organization.

(f) “Reportable transaction” means every transaction conducted by a pawnbroker, secondhand article dealer or secondhand jewelry dealer in which an article or articles are received through a pawn, purchase, consignment, or trade, or in which a pawn is renewed, extended, voided, 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 articles from a merchant, manufacturer, or wholesaler having an established permanent place of business, and the retail sale of said articles, provided the pawnbroker, secondhand article dealer or secondhand jewelry dealer must maintain a record of such purchase or consignment that describes each item, and must mark each item in a manner that relates it to that transaction record;

(2) Retail and wholesale sales of articles originally received by pawnbrokers, secondhand article dealers or secondhand jewelry dealers by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

(g) “Secondhand” means owned by any person, except a wholesaler, retailer, or licensed secondhand article dealer or secondhand jewelry dealer, immediately before the transaction at hand.

(h) “Secondhand article dealer” means any person, other than an auctioneer, who engages in the business of purchasing or selling secondhand articles, with exceptions as stated in Wis. Stats. Sec. 134.71(g).

(i) “Secondhand jewelry dealer” means any person, other than an auctioneer, who engages in the business of any transaction consisting of purchasing, selling, receiving or exchanging secondhand jewelry, with exceptions as stated in Wis. Stats. Sec. 134.71(h).

5.52.040 License required. No person may operate as a pawnbroker, secondhand article dealer or secondhand jewelry dealer in the city unless the person first obtains a pawnbroker, secondhand article dealer or secondhand jewelry dealer license under this chapter.

5.52.050 License application. A person wishing to operate as pawnbroker, secondhand article dealer or secondhand jewelry dealer shall apply for a license to the city clerk. The clerk shall furnish application forms approved by the police department that shall require all of the following:

(a) The applicant's name, place and date of birth, residence address, and residence addresses for the 10-year period prior to the date of the application.

- (b) The name and address of the business and of the owner of the business premises.
- (c) Whether the applicant is a natural person, corporation, limited liability company, or partnership, and:
 - (1) If the applicant is a corporation, the state where incorporated and the names and addresses of all officers and directors;
 - (2) If the applicant is a partnership, the names and addresses of all partners;
 - (3) If the applicant is a limited liability company, the names and addresses of all members;
 - (4) The name, place and date of birth, residence address, and residence addresses for the 10-year period prior to the date of the application of the manager or proprietor of the business;
 - (5) The name, address and date of birth of all employees of the business;
 - (6) Any other information that the clerk may reasonably require.
- (d) A statement as to whether the applicant, including an individual, agent, officer, director, member, partner, manager, proprietor, or employee has been convicted of any crime, statutory violation punishable by forfeiture, or county or municipal ordinance violation. If so, the applicant must furnish information as to the time, place, and offense of all such convictions.
- (e) Whether the applicant or any other person listed in subsection (d) of the section has ever used or been known by a name other than the applicant's name, and if so, the name or names used and information concerning dates and places used.
- (f) Whether the applicant or any other person listed in subsection (d) of this section has previously been denied or had revoked or suspended a pawnbroker, secondhand article dealer or secondhand jewelry dealer license from any other governmental unit. If so, the applicant must furnish information as to the date, location, and reason for the action.
- (g) When a licensee places a manger in charge of a business, or if the named manager(s) in charge of a licensed business changes, the licensee must complete and submit the appropriate application within fourteen (14) days. The application must include all appropriate information required in this section.

5.52.060 Investigation of license applicant. The police department shall investigate each applicant and any other person listed in Section 5.52.050 (c) or (g), pursuant to Section 134.71(6) of the Wisconsin Statutes. The department shall furnish the information derived from that investigation in writing to the city clerk. The investigation shall include each agent, officer, member, partner, manager, proprietor or employee.

5.52.070 License issuance. The city may grant the license if all of the following apply:

(a) The applicant, including an individual, a partner, a member of a limited liability company, a manager, a proprietor, an employee, or an officer, director, or agent of any corporate applicant, does not have an arrest or conviction record, subject to Sections 111.321, 111.322 and 111.335 of the Wisconsin Statutes.

(b) The applicant provides to the city clerk a bond of \$2,500 with not less than 2 sureties for the observation of all municipal ordinances or state or federal laws relating to pawn and secondhand article and secondhand jewelry dealers. The bond must be in full force and effect at all times during the term of the license.

(c) No license issued under this subsection may be transferred. (Ord. 61-5164 §1, 2002, File No. 96-0422; Ord. 61-5049 §1(part), 1999; Ord. 61-4940 §1 (part), 1996.)

(d) Each license is valid from July 1st until the following June 30th.

(e) Display of license. Each license issued under this chapter shall be displayed in a conspicuous place visible to anyone entering a licensed premise.

5.52.080 Fees. (a) License fee. The annual license fee for licenses issued under this chapter shall be as established in Section 5.04.010 of the municipal code.

(b) Billable transaction fee. A licensee will be charged for each billable transaction reported to the police department. The transaction fee for pawnbrokers, secondhand article dealers or secondhand jewelry dealers shall be \$1.50 for each billable transaction.

(c) The billable transaction license 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, annually. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented.

(d) 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.

5.52.090 Records required. At the time of any reportable transaction other than renewals, extensions, redemptions or confiscations, 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 police department:

(a) 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) The purchase price, amount of money loaned upon, or pledged therefore.

(c) The maturity date of the transaction and the amount due, including monthly and annual interest rates and all pawn fees and charges.

(d) 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) Full name, current residence address, current residence telephone 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) The identification number and state of issue from any of the following forms of identification of the seller:

- (1) Current valid Wisconsin driver's license;
- (2) Current valid Wisconsin identification card;
- (3) Current valid photo identification card issued by another state or province of Canada;
- (4) Current valid military identification card;
- (5) Current valid passport.

(g) The signature of the person identified in the transaction.

(h) Effective sixty (60) days from the date of notification by the police department of acceptable photographic or video standards, the licensee must take a color photograph or color video recording of:

- (1) Each customer involved in a billable transaction;
- (2) Every item pawned, purchased, received or exchanged in trade, consigned for sale, or sold that does not have a unique serial or identification number permanently engraved or affixed;
- (3) 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 facial image 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 focus on the person pawning or selling the item so as to include an identifiable image 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 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 with which they are associated. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in subsection (h).

(j) Renewals, extensions, redemptions and confiscations. For renewals, extensions, redemptions and confiscations the licensee shall provide the original transaction identifier, the date of the current transaction, and the type of transaction.

5.52.100 Inspection of records. Records must at all reasonable times be open to inspection by the police department. 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.

5.52.110 Daily reports to police. Effective no later than sixty (60) days after the police department provides a licensee with the current version of the Automated Pawn System Interchange File Specification (APS) software, licensee must submit every reportable transaction to the police department daily in the following manner:

(a) A licensee must provide to the police department all reportable transaction information by transferring it from their computer to the APS System via the internet using the current version of the APS software. 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.

(b) Any transaction that does not meet the Automated Pawn System Interchange File Specification must be corrected and resubmitted the next business day.

(c) The licensee must display a sign of sufficient size, in a conspicuous place in the premises, which informs patrons that all transactions are reported to the police department daily.

(d) If a licensee is unable to successfully transfer the required reports via the internet for that day, the licensee must provide the police department, upon request, printed copies of all reportable transactions along with the video recording(s) for that date, by noon the next business day.

(e) If the problem is determined to be in the licensee's system or with the licensee's internet connection, 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 subsection (d) of this section, and shall be charged a \$100.00 reporting failure penalty, daily, until the error is corrected; or

(f) If the problem is determined to be outside the licensee's system, the licensee must continue to provide the required reports in subsection (d) of this section, and resubmit all such transactions via the internet when the error is corrected.

(g) If a licensee is unable to capture, digitize or transmit the photographs required in Section 5.52.090(i), 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.

(h) 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.

(i) Notwithstanding subsections (d), (e) and (f) of this section, the police department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty.

5.52.120 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 fees and charges imposed by the licensee.

(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 from any of the following forms of identification of the seller:

- (1) Current valid Wisconsin driver's license;
- (2) Current valid Wisconsin identification card;
- (3) Current valid photo driver's license or identification card issued by another state or province of Canada;
- (4) Current valid military identification;
- (5) Current valid passport.

(k) Description of the pledger or seller including sex, height, weight, race, color of eyes and color of hair.

(l) The signature of the pledger or seller.

5.52.130 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 and sold. During the sixty (60) day holding period, items may not be removed from the licensed location except as provided in Section 5.52.200. Licensees are prohibited from redeeming any item to anyone other than the person to 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 approval of the chief of police, or chief's designee. Written authorization for release of property to persons other than original pledger must be maintained along with the original transaction record in accordance with Section 5.52.090(j). An individual may redeem an item seventy-two (72) hours after the item was received on deposit, excluding Sundays and legal holidays.

5.52.140 Holding period. (a) Except for secondhand articles consigned to a licensee, any secondhand article purchased or received for security shall be kept on the premises or other place for safekeeping for not less than 30 days after the date of purchase or receipt unless the person known by the pawnbroker to be the lawful owner of the article redeems it. Any item purchased or received by a secondhand article dealer or secondhand jewelry dealer shall be kept on the premises or other place of safekeeping for not less than 10 days after the date of purchase or receipt.

(b) During the period set forth in subsection (a) of this section, the article shall be held

separate from saleable inventory and may not be altered in any manner. The licensee shall permit any law enforcement officer to inspect the article during this period.

(c) Within 24 hours after a request of a law enforcement officer during this period, the licensee shall make available for inspection any article which is kept off the premises for safekeeping.

5.52.150 Police order to hold property. (a) Investigative Hold. Whenever a law enforcement official from any law enforcement 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), 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 physically confiscate and remove it from the shop, pursuant to a written order from the chief or the chief's designee, or place the item on hold or extend the hold as provided in subsection (b) of this section, and leave it in the shop.

(d) 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.

(e) When an order to hold/confiscate is no longer necessary, the chief of police or chief's designee shall so notify the licensee.

5.52.160 Inspection of items. At all times during the terms of the license, the licensee must allow law enforcement officials to enter the premises where the licensed business is located, including all off-site storage facilities, as authorized in Section 5.52.200, during normal business hours, except in an emergency, for the purpose of inspecting such premises and inspecting the items, ware and merchandise and records therein to verify compliance with this chapter or other applicable laws.

5.52.170 Label required. Licensees 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 re-used.

5.52.180 Prohibited acts. No person under the age of 18 years may pawn or sell or attempt to pawn or sell goods with any licensee, nor may any licensee receive any goods from a person under the age of 18 years, except as permitted by subsection (a).

(a) A licensee may engage in a transaction with a minor if the minor is accompanied by his or her parent or guardian at the time of the transaction and the parent or guardian signs the transaction form and provides identification as required by this section.

(b) No licensee may receive any goods from a person of unsound mind or an intoxicated person.

(c) No licensee may receive any goods, unless the seller presents identification in the form of a current valid driver's license, a current valid State of Wisconsin identification card, or current valid photo driver's license or identification card issued by the state or province of residency of the person from whom the item was received.

(d) No licensee may receive any item of property that possesses an altered or obliterated serial number or operation identification number or any item of property that has had its serial number removed.

(e) 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.

(f) 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.

5.52.190 License denial, suspension or revocation. The city may deny, suspend, or revoke any license issued by it under this section for fraud, misrepresentation, or false statement contained in the application for a license, or for any violation of this chapter or Sections 134.71, 943.34, 948.62 or 948.63, Wis. Stats., or for any other violation of local, state, or federal law substantially related to the businesses licensed under this chapter.

5.52.200 Business at only one place. A license under this chapter authorizes the licensee to carry on its business only at the permanent place of business designated in the license. However, upon written request, the chief of police, or chief's designee, may approve an off-site locked and secured storage facility. The licensee shall permit inspection of the facility in accordance with this chapter. All provisions of this chapter regarding record keeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of the city code. The licensee must either own the building in which the business is conducted, and any approved off-site storage facility, or have a lease on the business premise that extends for more than six (6) months.

5.52.210 Penalty. (a) Upon conviction for a first offense under this section, a person shall

forfeit not less than fifty dollars nor more than one thousand dollars, plus the costs of prosecution.

(b) Upon conviction for a second or subsequent offense under this section, a person shall forfeit not less than five hundred dollars nor more than two thousand dollars, plus the costs of prosecution. (Ord. 61-4940 §1 (part), 1996.)

(c) Each day of violation shall constitute a separate offense.

5.52.220 Severability. Should any section, subsection, clause or other provision of this chapter be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the ordinance as a whole or any part other than the part so declared invalid.

(Ord. 61-5442 §1, 2010, File No. 96-0422)