

**CHAPTER 18**

Pawnbrokers and Secondhand Dealers

<i>Section Number</i>	<i>Title</i>	<i>Ordinance Number</i>	<i>Date of Ordinance</i>
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**SEC 7-18-1 DEFINITIONS.**

All definitions listed in Wis. Stats. § 134.71, as amended from time-to-time, are hereby adopted by reference and incorporated in this Chapter as though fully set out in this section except for the following definitions:

- (a) “Article” shall mean any item of value.

**SEC 7-18-2 LICENSE REQUIRED.**

- (a) No person may operate as a pawnbroker unless the person first obtains a pawnbroker's license under this Chapter.
- (b) No person may operate as a secondhand dealer unless the person first obtains a secondhand dealer's license under this Chapter.
- (c) No person may operate as a secondhand jewelry dealer unless the person first obtains a secondhand jewelry dealer's license under this Chapter.

**SEC 7-18-3 APPLICATION; INVESTIGATION OF APPLICANT.**

- (a) **Application.** Application for a license as a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall be made to the Village Clerk. The Village Clerk shall furnish application forms which shall require that information specified by Wis. Stats. § 134.71(5).

- (b) **Investigation.** Within ten days after receipt of an application for a license under this Chapter, the Village Clerk shall forward a copy of the application to the Chief of Police, who shall cause an investigation of each applicant for such license to be made to determine whether the applicant has been convicted within the preceding ten years of a felony, 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 relate to the circumstances of the activity proposed to be licensed and, if so, the nature and date of the offense and the penalty assessed. The chief of police shall furnish the information derived from the investigation in writing to the Village Clerk within five days from completion of the investigation.

**SEC. 7-18-4 LICENSE ISSUANCE, TRANSFER AND TERM.**

- (a) **Issuance.** Following receipt of all appropriate information required in the application for a license under this Chapter, the Village Clerk shall forward the application to the Legislative and Licensing Committee, which shall grant the license if all of the following apply:
  - (1) The applicant, including an individual, a partner or an officer, director or agent of any corporate or business applicant, has not been convicted within the preceding ten years of a felony, 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 relate to the circumstances of being a pawnbroker, secondhand jewelry dealer, or secondhand article dealer;
  - (2) The applicant has resided in the State of Wisconsin for a period of at least one year prior to the date of filing an application; and
  - (3) With respect to the applicant for a pawnbroker's license, the applicant provides to the Village a bond of \$500.00, with not less than two sureties, for the observation of all Village ordinances relating to pawnbrokers.
- (b) **Display of License.** Any license issued under this Chapter shall be displayed in an open and conspicuous place on the licensed premises.
- (c) **No Transfer of License.** No license issued under this Chapter may be transferred.
- (d) **Term.** Each license for a pawnbroker, secondhand article dealer or secondhand jewelry dealer is valid from January 1 until the following December 31.

**SEC. 7-18-5 PAWNBROKER AND SECONDHAND DEALER REQUIREMENTS.**

- (a) **Identification.** No pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from a customer without first securing adequate identification from the customer. At the time of the transaction, the pawnbroker, secondhand article dealer or secondhand jewelry dealer shall require the customer to present one of the following types of identification:
  - (1) A state identification card.
  - (2) A valid Wisconsin motor vehicle operator's license.

- (3) A valid motor vehicle operator's license, containing a picture, issued by another state.
  - (4) A military identification card.
  - (5) A valid passport.
  - (6) An alien registration card.
  - (7) A senior citizen's identification card containing a photograph.
  - (8) Any identification document issued by a state or federal government, whether or not containing a picture, if the pawnbroker, secondhand article dealer or secondhand jewelry dealer obtains a clear imprint of the customer's right index finger.
- (b) **Transactions with minors.**
- (1) Except as provided in subsection (b)(2) of this section, no pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from any minor.
  - (2) A pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction described under subsection (b)(1) of this section if the minor is accompanied by his parent or guardian at the time of the transaction or if the minor provides the pawnbroker, secondhand article dealer or secondhand jewelry dealer with the parent's or guardian's written consent to engage in the particular transaction.
- (c) **Records.**
- (1) **Pawn Receipt.** Except as provided in subsection (c)(2) of this section, for each transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from a customer, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall require the customer to complete and sign, in ink, the appropriate form provided by the Village. No entry on such form may be erased, mutilated or changed. The pawnbroker, secondhand article dealer or secondhand jewelry dealer shall retain an original and a duplicate of each form for not less than one year after the date of the transaction, except as provided in subsection (e) of this section, and during that period shall make the duplicate available to any law enforcement officer for inspection at any reasonable time.
  - (2) **Declaration of Ownership.** The pawnbroker shall obtain a written declaration of ownership from the person pawning or pledging any goods, article or thing which shall state whether he or she has owned the article, whether he or she or someone else found the article, and if the article was found, the details of its finding.
  - (3) **Written Inventory.** For every secondhand article purchased, received or exchanged by a secondhand article dealer from a customer off the secondhand article dealer's premises or consigned to the secondhand article dealer for sale on the secondhand article dealer's premises, the secondhand article dealer shall keep a written inventory. In this inventory the secondhand article dealer shall record the name and address of each customer, the date, time and place of the transaction and a detailed description of the article which is the subject of the transaction, including the article's serial number and model number, if any. The customer shall sign his name on a declaration of ownership of the secondhand article identified in the inventory and shall state that he owns the secondhand article. The

secondhand article dealer shall retain an original and a duplicate of each entry and declaration of ownership relating to the purchase, receipt or exchange of any secondhand article for not less than one year after the date of the transaction, except as provided in subsection (e) of this section, and shall make duplicates of the inventory and declarations of ownerships available to any law enforcement officer for inspection at any reasonable time.

(d) **Holding period.**

- (1) **Pawnbroker.** Except as provided in subsection (d)(5) of this section, any secondhand article or secondhand jewelry purchased or received by a pawnbroker shall be kept on the pawnbroker's 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 secondhand article or secondhand jewelry recovers it.
- (2) **Secondhand article dealer.** Except as provided in subsection (d)(5) of this section, any secondhand article purchased or received by a secondhand article dealer shall be kept on the secondhand article dealer's premises or other place for safekeeping for not less than twenty-one days after the date of purchase or receipt.
- (3) **Secondhand jewelry dealer.** Except as provided in subsection (d)(5) of this section, any secondhand jewelry purchased or received by a secondhand jewelry dealer shall be kept on the secondhand jewelry dealer's premises or other place for safekeeping for not less than twenty-one days after the date of purchase or receipt.
- (4) **Requirements.** During the period specified in subsection (d)(1), (d)(2) or (d)(3) of this section, the secondhand article or secondhand jewelry shall be held separate and apart and may not be altered in any manner. The pawnbroker, secondhand article dealer or secondhand jewelry dealer shall permit any law enforcement officer to inspect the secondhand article or secondhand jewelry during this period. Within 24 hours after a written request of a law enforcement officer during this period, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall make available for inspection any secondhand article or secondhand jewelry which is kept off the premises for safekeeping. Any law enforcement officer who has reason to believe any secondhand article or secondhand jewelry was not sold or exchanged by the lawful owner may direct a pawnbroker, secondhand article dealer or secondhand jewelry dealer to hold that secondhand article or secondhand jewelry for such reasonable length of time as the law enforcement officer considers necessary to identify it.
- (5) **Exceptions.** Subsections (d)(1) to (d)(4) of this section do not apply to any of the following:
  - a. A firearm as that term is defined in Sec. 167.31(1)(c) of the Wisconsin Statutes.
  - b. A coin of the United States, any gold or silver coin or gold or silver bullion.
  - c. A secondhand article or secondhand jewelry consigned to a pawnbroker, secondhand article dealer or secondhand jewelry dealer.

- (e) **Report to law enforcement agency.** Within 24 hours after purchasing or receiving a secondhand article or secondhand jewelry, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall make available, for inspection by a law enforcement

officer, the original form completed under subsection (c)(1) of this section or the inventory under subsection (c)(2) of this section, whichever is appropriate. Notwithstanding Wis. Stats. § 19.35(1), a law enforcement agency receiving the original form or inventory or a declaration of ownership may disclose it only to another law enforcement agency.

- (f) **Exception for customer return or exchange.** Nothing in this section applies to the return or exchange, from a customer to a secondhand article dealer or secondhand jewelry dealer, of any secondhand article or secondhand jewelry purchased from the secondhand article dealer or secondhand jewelry dealer.
- (g) **Transactions with Intoxicated Persons.** No pawnbroker shall bargain for, take, purchase or receive in pawn any property, bonds, notes securities, articles or other valuable thing from any person reasonably believed to be intoxicated.
- (h) **Stolen Goods.** It shall be the duty of every pawnbroker to report to the police any article pledged with him, or which is sought to be pledged with him, if he shall have reason to believe that the article was stolen or lost, and found by the person attempting to pledge it in the case of a lost article.

#### **SEC. 7-18-6 LICENSE REVOCATION.**

The Village Board may revoke any license issued by it under this Chapter for fraud, misrepresentation or false statement contained in the application for a license or for any violation of this Chapter or of Wis. Stats. §§ 943.34, 948.62 or 948.63 or for any grounds that would warrant the denial of the issuance of such license in the first instance. Prior to the investigation of any license issued under this Chapter, the licensee shall be entitled to a hearing held before the Village Board at which time evidence will be received for the purpose of determining whether or not such permit shall be revoked or whether the permit may be retained. In the event the permit is revoked, the notification and reasons for such revocation shall be set forth in writing and sent to the licensee by means of registered or certified mail or hand delivery to the address stated in such license.

#### **SEC. 7-18-7 INJUNCTIVE RELIEF**

In addition to the legal remedies provided for in this Code of Ordinances, the operation of any pawnbroker, secondhand article dealer's, and secondhand jewelry dealer's establishment in violation of the terms of the Chapter shall be deemed a public nuisance and may be enjoined by the Village of Caledonia.

#### **SEC. 7-18-8 LICENSE FEES.**

The license fees under this Chapter shall be as established by resolution of the Village Board from time-to-time, and shall be paid by the applicant upon submittal of the application for such license to the Village Clerk:

- (a) Pawnbroker's license;
- (b) Secondhand article dealer's license;
- (c) Secondhand jewelry dealer's license;

**SEC. 7-18-9 PENALTY FOR VIOLATION OF CHAPTER.**

- (a) **First Offense.** Upon conviction for a first offense under this Chapter, a person shall forfeit not less than \$50.00 nor more than \$1,000.00. Upon conviction for a second or subsequent offense under this Chapter, a person shall forfeit not less than \$500.00 nor more than \$2,000.00.
- (b) **Second Offense.** Each violation of this Chapter and each day a violation continues or occurs shall constitute a separate offense and a separate forfeiture shall apply to each violation and each day a violation continues. The monetary penalties prescribed by this section shall not preclude the denial or revocation of a license required under this Chapter to do business.”