

**ARTICLE XV. PAWN BROKERS AND SECONDHAND ARTICLE DEALERS****Sec. 18-561. Purpose.**

The purpose of this article is to prevent pawnshops and secondhand article dealers, excluding clothing stores or charitable organizations, from being used to facilitate the commission of crimes and to assure that they comply with basic consumer protection standards, thereby protecting the public health, safety, and general welfare of the citizens, and pursuant to the authority granted by § 134.71, Wis. Stats.

(Ord. No. 1187B, § 1, 7-9-2008)

**Sec. 18-562. License.**

This article requires an annual license for pawnbrokers and secondhand article dealers. The article adopts the requirements of § 134.71 Wis. Stats. The license period for the above businesses is from January 1st through December 31st.

(Ord. No. 1187B, § 2, 7-9-2008)

**Sec. 18-563. Fees.**

Two hundred ten dollars for pawnbrokers and secondhand article dealers.

(Ord. No. 1187B, § 3, 7-9-2008)

**Sec. 18-564. Pawnbrokers and Secondhand Article Dealers.**

(a) *Adoption; penalties; definitions.* Wis. Stats. § 134.71 is hereby adopted and, by reference, made part of this article with the same force and effect as though fully set out herein notwithstanding the below subsections. Failure to comply with any of the provisions of this article shall constitute a violation of this chapter, punishable according to the penalties set forth in section 1-14.

*Article* means any item of value, excluding clothing items.

*Reportable transaction* means every transaction conducted by a pawnbroker, secondhand article and jewelry dealers 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, and is reportable except:

- (1) The bulk purchase or consignment of new or used articles from a merchant, manufacturer, or wholesale having an established permanent place of business, and

the retail sale of said articles, provided the pawnbroker must maintain a record of such purchase or consignment that describes each item, and must mark each item in a manner that related it to that transaction record.

(2) Retail and wholesales of articles originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

*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. § 134.71(g).

(b) *When digital photos are required.* The licensee must also take a color, digitized photograph of every item pawned or sold that does not have a unique serial or identification number permanently engraved or affixed, excluding only electronic media. One group photo shall suffice for mass items such as several coins acquired in one transaction. If a photograph is taken, it must be at least two inches in length by two 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. Items photographed must be accurately depicted and submitted as digital images, in a format specified by the issuing authority, electronically cross-referenced to the reportable transaction they are associated with. Entries of required digital images shall be retained a minimum of six months.

(c) *Daily reports to police.*

(1) Pawnbrokers and secondhand article and jewelry dealers must submit every reportable transaction to the police department daily in the following manner. Pawnbrokers and secondhand article and jewelry dealers must provide to the police department all required information pursuant to state statute, by transferring it from their computer to the web server via modem designated by the city police department. 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 police department using procedures that address security concerns of the pawnbroker or secondhand article and jewelry dealer and the police department. The pawnbroker or secondhand article and jewelry dealer must display a sign of sufficient size in a conspicuous place on the premises, which informs all patrons that all transactions are reported daily to the police department.

(2) If a pawnbroker or secondhand article and jewelry dealer is unable to successfully transfer the required reports by modem, the pawnbroker or secondhand article and jewelry dealer must provide the police department with printed copies of all reportable transactions by 12:00 noon the next business day.

(3) If the problem is determined to be in the pawnbroker's or secondhand article and jewelry dealer's system and is not corrected by the close of the first business day following the failure, the pawnbroker or secondhand article and jewelry dealer must provide the required reports as detailed in state statute, and shall be charged a daily reporting failure fee of \$10.00 until the error is corrected, or, if the problem is determined to be outside the pawnbroker's or secondhand article and jewelry dealer's system, the pawnbroker or secondhand article and jewelry dealer must provide the required reports pursuant to state statute and resubmit all such transactions via modem when the error is corrected.

(4) Regardless of the cause or origin of the technical problems that prevented the pawnbroker or secondhand article and jewelry dealer from uploading the reportable transactions, upon correction of the problem, the pawnbroker or secondhand article and jewelry dealer shall upload every reportable transaction from every business day the problem has existed.

(5) The provisions of this subsection notwithstanding, the police department may, upon presentation of extenuating circumstances, delay the implementation of the daily reporting penalty.

(6) 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 and secondhand dealer when engaging in any of the following:

- a. Any transaction at any occasional garage or yard sale, an estate sale, a gun, knife, gem, or antique show, or a convention.
- b. Any transaction entered into by a person engaged in the business of junk collector, junk dealer, or scrap processor, as described in § 70.995(2)(x), Wis. Stats.
- c. Any transaction while operating as a charitable organization or conducting a sale, the proceeds of which are donated to a charitable organization.
- d. Any transaction between a buyer of a new article and the person who sold the article when new that involves any of the following:
  1. The return of the article.
  2. The exchange of the article for a different, new article.
- e. Any transaction as a purchaser of a secondhand article from a charitable organization if the secondhand article was a gift to the charitable organization.

(d) *Police order to hold property.*

(1) *Investigative hold.* Whenever a law enforcement officer from any agency notifies a pawnbroker 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 72 hours and will remain in effect for 15 days from the date of initial notification, or until the investigative order is cancelled, or until an order to confiscate is issued.

(2) *Order to confiscate.*

- a. If an item is identified as stolen or evidence in a criminal case, the police department may physically confiscate and remove it from the shop, pursuant to a written order from the police department.
- b. When an item is confiscated, the person doing so shall provide identification upon request of the pawnbroker, and shall provide the pawnbroker with the name and phone number of the confiscating officer and the case number related to the confiscation.
- c. When an order to confiscate is no longer necessary, the police department shall so notify the pawnbroker.

(Ord. No. 1187B, § 4, 7-9-2008)