

Chapter 703 Licensure of Dealers of Second Hand Articles

703.01 Definitions

Article includes, but is not limited to, audio-visual equipment, bicycles, computers, printers, software and computer supplies, computer toys and games, crystal, electronic equipment, fur, ammunition and knives, office equipment, firearms, tools, musical instruments, silverware and flatware, telephones, and digital media devices.

Pawnbroker means any person, corporation, limited liability company, partnership or other entity engaged in the business of lending money on the deposit or pledge of any secondhand article or any item of tangible personal property with an expressed or implied agreement or understanding to sell it back at a subsequent time at a price.

Precious metal dealer means any person, corporation, limited liability company, partnership or other entity engaged in any transaction of purchasing, selling, receiving or exchanging secondhand jewelry, sterling silverware, gold, silver coins, gems, bullion, or other items made in whole or in part from gold, silver, platinum, or any metal, mineral or gem customarily regarded as a precious or semiprecious.

Reportable transaction means every transaction conducted by a secondhand article dealer, pawnbroker or precious metal dealer in which an article, articles or jewelry 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 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 secondhand article dealer shall maintain a record of such purchase or consignment that describes each item, and shall mark each item in a manner that relates it to that transaction record; retail and wholesale sales of articles originally purchased.

Secondhand articles includes any article owned by any person, corporation, limited liability company, partnership or other entity except a wholesaler or retailer.

Secondhand article dealer includes a person, corporation, limited liability company, partnership or other entity engaged in the business of selling, purchasing or exchanging secondhand articles under this section. A secondhand article dealer shall not include individuals that purchase articles from others or sell or exchange articles purchased themselves or purchased from others when such individuals do so occasionally at garage sales or sales by religious or charitable organizations (church rummage sales, etc.) or through internet web sites such as EBay, Craig's List or a local newspaper.

703.02 Licenses Required

No person, corporation, limited liability company, partnership or other entity shall carry on or operate, directly or by use of one or more employees, agents, computers, or kiosks, within the Village of Holland, a business as a Secondhand Article Dealer, Pawnbroker, Precious metal dealer, or other business for the purchase or sale, for money, credit or other remuneration, of secondhand articles, including, but not limited to, jewelry, precious metals, scrap, household goods, or other items of value, without first having obtained a license therefor as hereinafter provided.

703.03 License Application

Written applications, in a form provided by the Village, for licenses under this section, together with the applicable \$50 application fee, shall be filed with the Holland Police Office Assistant. The Holland Police Office Assistant shall file a copy of such application with the Chief of Police forthwith. Licenses issued under this section shall not be transferable.

- a. The application shall state the following:
 1. The applicant's name, place and date of birth, social security number or tax identification number, and business or residence address;
 2. The names and addresses of the business and the owner or owners of the business;
 3. A statement as to whether the applicant, including an individual, or a partner, member, officer, director or agent of a corporation, limited liability company, partnership or other entity applicant, has been convicted within the last ten (10) years of a felony or misdemeanor criminal offense, and, if so, the title of the offense(s) of which convicted. An applicant need not state convictions that have been expunged or otherwise sealed by order of a court of competent jurisdiction;
 4. The corporate form of the applicant (sole proprietor, corporation, limited liability company, partnership, other), the names and addresses of the owners, members or partners, and the state where incorporated or organized;
 5. The name and address of each employee or worker at the licensed location along with a copy of their current valid Ohio driver's license or state issued identification card;
 6. Any other information that the Chief of Police may require.

703.04 License Fees

The license fees under this section are as follows:

The \$50 application fee is nonrefundable and payable to the Village of Holland by check or money order and is due at the time of submittal of the application.

The fee for a secondhand article dealer license shall be five hundred dollars (\$500) per year.

The fee for a pawnbroker's license shall be one thousand dollars (\$1,000) per year.

The fee for a precious metal dealer's license shall be one thousand dollars (\$1,000) per year.

License fees as stated above are due upon approval and issuance of the second hand dealer license application. License fees are payable to the Village of Holland by check or money order.

703.05 License Issuance

A separate license shall be obtained for each secondhand article dealer, pawnbroker or precious metal dealer location within the village.

The Police Chief shall grant the license or renewal if the applicant, including an individual, a partner, a member, an officer or a director or agent of a corporation, limited liability company, partnership or other entity, has not been convicted within the last ten (10) years of a felony or misdemeanor criminal offense, the business meets all zoning standards of the village, and the appropriate fee for each premises has been paid.

703.06 License Date and Duration

Each license shall be valid for a period of one (1) year from the date of issue.

Licenses shall be renewed on or before 30 days after the expiration thereof or shall be subject to a late fee of 15% of the license fee for each thirty days late.

At all times during the term of a license the secondhand article dealer, pawnbroker or precious metal dealer shall allow law enforcement official to enter the premises where the business is conducted for purposes of inspecting the premises and the articles in its possession.

703.07 Records; Information

No secondhand article dealer, pawnbroker or precious metal dealer, or the employee, partner, member, owner, agent or representative of such, may engage in a reportable transaction without first securing adequate identification from the customer by obtaining a physical description of the person which shall also include the subject's driver license number or Ohio identification number. At the time of the reportable transaction, the dealer shall require the customer to present one of the following types of identification; a current and valid: 1) state driver license; 2) Ohio identification card; 3) military identification card or 4) valid passport.

It shall be the duty of every license holder to keep a record of all articles purchased or pawned and it is required that a detailed description of the article(s) be obtained such that the article(s) may be identified correctly, including, but not limited to, a serial number, model number, brand name, color description or other description, a photograph, and the purchase price or amount of money loaned upon or pledged therefore; for pawn transactions, the maturity date of the transaction and the amount due, including monthly and annual interest rates and all pawn fees and charges; the date, time and place the item of property was received by the secondhand article dealer, pawnbroker or precious metal dealer; and the unique alpha and/or numeric transaction identifier that distinguishes it from all other transactions in the secondhand article dealer's records. The signatures of the person identified in the transaction and the employee, agent or representative of the secondhand article dealer, pawnbroker or precious metal dealer.

Every secondhand article dealer, pawnbroker and precious metal dealer shall provide a receipt to the party identified in every reportable transaction and must maintain a receipt of the transaction for one year from the date of the reportable transaction.

Every secondhand article dealer, pawnbroker and precious metal dealer shall provide the Police Chief with name and address of each employee or worker at the licensed location along with a copy of their current valid Ohio driver's license or state issued identification card hired since the issuance of the current license.

703.08 Daily Reports

Secondhand article dealers, pawnbrokers and precious metal dealers must submit every reportable transaction to LEADSONline, to which all secondhand article dealers, pawnbrokers and precious metal dealers shall subscribe. All required records must be transmitted completely and accurately within twenty-four (24) hours of the transaction in accordance with the standards and procedures established by the Village of Holland Police Department using procedures that address security concerns of the secondhand article dealer, pawnbroker or precious metal dealer, and the Village of Holland Police Department. All secondhand article dealers, pawnbrokers and precious metal dealers 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 Village of Holland Police Department.

If a secondhand article dealer, pawnbroker or precious metal dealer is unable to successfully transfer the required reports electronically, he or she shall notify the Village of Holland Police Department of the reason the dealer is unable to transfer the required reports and shall provide to the Village of Holland Police Department with electronic copies of all reportable transactions that have not been transmitted electronically in a form approved by the Chief of Police by 5:00pm the next business day, along with a twenty five dollar (\$25) fee.

703.09 Prohibited Purchases; Customers

1. No purchase, receipt or exchange of any secondhand article shall be made from any person under the age of eighteen (18) years, or a person of unsound mind or an intoxicated or impaired person.
2. No secondhand article dealer, pawnbroker or precious metal dealer may receive any item of property that possesses an altered or obliterated serial number or other identification number, or any article of property that has had its serial number removed.
3. 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 or without permission.
4. No person seeking to pawn, pledge, sell, consign, leave or deposit any article of property with any secondhand article dealer, pawnbroker or precious metal dealer shall give a false or fictitious name or false or altered identification or the identification of another to a secondhand article dealer, pawnbroker or precious metal dealer.

703.10 Retention of Articles

1. Any secondhand article purchased or received by a secondhand article dealer, pawnbroker or precious metal dealer shall be kept on the dealer's premises or other place of safekeeping for not less than fifteen (15) days after the date of purchase or receipt, and may not be altered in any manner.
2. A secondhand article dealer, pawnbroker or precious metal dealer accepting a stolen article is not entitled to reimbursement of any type for any amounts paid, loaned or traded in any transaction for the stolen article.
3. Whenever a law enforcement officer from any agency notifies a secondhand article dealer, pawnbroker or precious metal dealer, or its employee, partner, member, owner, agent or representative, not to sell an article, the article may not be sold or removed from the premises until further order of the law enforcement official. If such article is determined to be stolen or evidence in a criminal case, the law enforcement official may confiscate and remove the article from the premises, pursuant to written order of the Village of Holland Police Department.

703.11 License Transferability

No license issued to a an individual, a partner, a member, an officer or a director or agent of a corporation, limited liability company, partnership or other entity may be assigned or transferred.

703.12 License Display or Exhibition

Secondhand article dealers, pawnbrokers and precious metal dealers shall keep posted in a prominent place upon the licensed premises the license certificate.

703.13 License Revocation or Suspension

The Mayor, upon recommendation by the Chief of Police, may revoke or suspend the second hand article dealer license issued to any secondhand article dealer, pawnbroker or precious metal dealers for a violation of this Chapter.

Any secondhand article dealer, pawnbroker or precious metal dealer whose license has been revoked or suspended shall be notified of the revocation or suspension in writing by the Chief of Police.

703.14 Appeals

Any secondhand article dealer, pawnbroker or precious metal dealer whose license has been revoked or suspended may appeal such revocation or suspension to Village Council within thirty (30) days by filing in writing an appeal with the Village Clerk-Treasurer. The Village Clerk-Treasurer shall set the date and time of the appeals hearing within thirty (30) days of receipt of the appeal. Village Council shall have the power to sustain, modify or reverse the decision of the Chief of Police.

703.15 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 Chapter as a whole or any part other than the part so declared invalid.

703.99 Penalties

Upon conviction for any provision of this Ordinance, such conviction shall result in a fine of \$500 for a first offense and \$1,000 for each subsequent offense. A separate offense shall be deemed committed each day during or on which a violation or noncompliance occurs.