

ORDINANCE NO. 688

AN ORDINANCE of the City Council of the City of Lakewood, Washington, amending Chapter 5.12 of the Lakewood Municipal Code relating to pawnshops.

WHEREAS, City Code regulating Pawn Shop businesses has not been reviewed since adoption during the early years following incorporation; and

WHEREAS, the policy concern at the time the existing code was adopted focuses on the potential financial impact Pawn Shop businesses might have on individuals who frequent them; and

WHEREAS, the City has legislatively limited the number of pawnshops to ensure that the existing number of pawnshops would reduce over time and consequently reduce the availability of this business to individuals who might be at risk using them; and

WHEREAS, in the years since adoption of regulation of Pawn Shop businesses, they have been cooperative with law enforcement and otherwise good citizens of the city; and

WHEREAS the existing Code could result in diminished value of the existing pawnshop businesses, particularly when the owner tries to sell the business; and

WHEREAS, amendments to the Code will better suit the City's objectives without unnecessarily diminishing the value of the businesses; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON, DO ORDAIN as Follows:

Section 1. That Chapter 5.12 of the Lakewood Municipal Code is amended to read as follows:

5.12.010 Definitions. (Repealed)

(Repealed Ord. 610 § 23, 2015; Ord. 300 § 9, 2003; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.011 Scope of Chapter.

A. Every entity doing business within the City as a pawnbroker, secondhand dealer or secondhand precious metal dealer, as those terms are defined by RCW 19.60.010 shall be subject to the regulations set forth in this Chapter and shall be required to obtain a City of Lakewood Business License, as set forth in chapter 5.02 Lakewood Municipal Code.

B. The provisions of this chapter shall be supplemental to those requirements set forth in chapter 19.60 RCW and chapter 5.02 LMC. (Ord. 610 §16, 2015.)

5.12.013 Reporting Requirements.

Every entity subject to this chapter shall be required to report as required by Chapters 19.60 and 19.290 RCW. (Ord. 679 § 3, 2018; Ord. 610 § 17, 2015.)

5.12.020 License Required. (Repealed)

(Repealed Ord. 610 § 24, 2015; Ord. 300 § 10, 2003; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.021 RCW 19.60 Provisions adopted by reference.

The following RCW sections, as currently enacted or as hereafter amended or recodified from time to time, are hereby adopted by reference and shall be given the same force and effect as if set forth herein in full, excepting that any references to the following sections where the text or context references “State,” or “State of Washington,” shall also be construed to reference the City of Lakewood:

- 19.60.010 Definitions.
- 19.60.014 Fixed place of business required.
- 19.60.020 Duty to record information.
- 19.60.025 Duty to record information -- Precious metal property.
- 19.60.040 Report to chief law enforcement officer.
- 19.60.042 Report to chief law enforcement officer -- Precious metal dealers.
- 19.60.045 Duties upon notification that property is reported stolen.
- 19.60.050 Retention of property by pawnbrokers -- Inspection.
- 19.60.055 Retention of property by secondhand dealers -- Inspection.
- 19.60.057 Retention of precious metal property -- Inspection.
- 19.60.060 Rates of interest and other fees -- Sale of pledged property.
- 19.60.061 Pawnbrokers -- Sale of pledged property limited -- Written document required for transactions.
- 19.60.066 Prohibited acts -- Penalty.
- 19.60.067 Secondhand precious metal dealers -- Prohibited acts -- Penalty.
- 19.60.068 Resale agreement to avoid interest and fee restrictions prohibited.
- 19.60.085 Exemptions.

19.60.095 Precious metal sales -- Hosted home parties (Ord. 610 § 21, 2015.)

5.12.023 RCW 19.290 Provisions adopted by reference.

The following RCW sections, as currently enacted or as hereafter amended or recodified from time to time, are hereby adopted by reference and shall be given the same force and effect as if set forth herein in full, excepting that any references to the following sections where the text or context references “State,” or “State of Washington,” shall also be construed to reference the City of Lakewood:

19.290.010 Definitions.

19.290.020 Private metal property or nonferrous metal property -- Records required.

19.290.030 Metal property and metallic wire -- Requirements for transactions.

19.290.040 Scrap metal businesses -- Record of commercial accounts.

19.290.050 Reports to law enforcement--Records exempt from public disclosure -- Private civil liability.

19.290.060 Stolen metal property -- Preserving evidence.

19.290.070 Violations -- Penalty.

19.290.080 Civil penalties.

19.290.090 Exemptions from chapter.

19.290.240 Chapter to be liberally construed.

19.290.250 No-buy list database program -- Scrap metal business to determine if customer is listed. (Ord. 610 § 22, 2015.)

5.12.025 Private Sales Licenses. (Repealed)

(Repealed Ord. 610 § 25, 2015; Ord. 300 § 11, 2003.)

5.12.030 License Fee. (Repealed)

(Repealed Ord. 610 § 26, 2015; Ord. 288 § 2, 2002; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.040 Investigation by City. (Repealed)

(Repealed Ord. 610 § 27, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.050 Applications for Pawnshop. (Repealed)

(Repealed Ord. 610 § 28, 2015; Ord. 300 § 12, 2003; Ord. 217 § 1 (part), 1999; Ord. 53 §

2 (part), 1996.)

5.12.060 Limitation on Number of Pawnbrokers.

~~A. The number of licenses issued for pawnshops shall be limited to a number of pawnshop establishments in the City based on a ratio of one pawnshop per thirty-five thousand inhabitants of the City, provided that the number of available licenses issued for pawnshops may be increased by one (1) when the population of the city exceeds by seventeen thousand five hundred, the next increment of thirty-five thousand inhabitants, so long as the number of existing pawnshops does not otherwise exceed the ratio of one pawnbroker per thirty-five thousand inhabitants of the City.~~

~~B. In the case where the number of currently licensed pawnshops exceeds the number of pawnshops permitted pursuant to the provisions of Paragraph A, above, ~~the~~ four current number of pawnshops shall represent the maximum number of pawnshops able to be licensed by the City, provided that any reduction in the number of licensed pawnshops shall reduce the maximum number of licensed pawnbrokers available in the City to the reduced number until the number of licensed pawnbrokers conforms to the limitation provided in Paragraph A above.~~

~~C. For the purposes hereof, any change in pawnbroker location, or in the name of the applicant for a pawnshop license or in the ownership of a previously licensed pawnshop business, other than a change in the status of ownership where the person(s) having an ownership interest are unchanged, shall be considered a new pawnshop business/applicant, and shall not be eligible for licensing, unless the remaining number of pawnshops is less than the maximum number of pawnshops able to be licensed pursuant to the provisions of Paragraph A, above, in which case the new pawnshop business/applicant, shall be considered for licensing pursuant to the provisions of Section 5.12.070 of the City Code; Provided that the licensed pawnshop businesses operating within the City of Lakewood on the effective date of the incorporation of the City of Lakewood as a municipal corporation, namely February 28, 1996, shall be entitled to continue operating at their existing location or, if the existing location of the pawnshop is not zoned for pawnshop business uses, at another location for which the zoning codes of the City permit pawnshop businesses; and Further provided that the licensees operating their pawnshop businesses within the City of Lakewood on February 28, 1996 meet the requirements of Section 5.12.075 of this Chapter. (Ord. 217 § 1 (part), 1999; Ord. 151 § 1, 1998; Ord. 53 § 2 (part), 1996.)~~

5.12.065 Limitation of Preexisting Pawnshop Licenses.

A. Notwithstanding the provisions of Section 5.12.060 of this Code, the number of Licensed pawnshops operating within the City who were operating within the City on February 28, 1996, shall be reduced on the occurrence of any one of the following conditions:

1. A currently licensed pawnshop relocates outside the City;
2. The pawnshop's license is revoked pursuant to the provisions of Title 5 of the Lakewood Municipal Code;
3. A licensed pawnshop purchases the pawnshop operations of another licensed

pawnshop within the City and does not continue operation of the purchased pawnshop business in the same location, or

4. A licensed pawnshop location is taken through condemnation, eminent domain, or other such proceedings by any governmental entity.

B. In the event of the destruction of the businesses of a licensed pawnshop operating within the City which was operating within the City on February 28, 1996, whether by fire, flood or other casualty, the licensed pawnshop operator shall have the ability to reconstruct his or her its businesses at the same location or, if the existing location of the pawnshop is not zoned for pawnshop business uses, then to any other location in the City subject to compliance with all zoning and land use law or regulations in place at the time of the casualty. (Ord. 217 § 1 (part), 1999.)

5.12.070 Awarding of Pawnshop Licenses. (Repealed)

~~When additional pawnshop licenses become available due to the growth in population or to the cancellation or termination of existing licenses, the City Manager or designee shall notify all prospective applicants for pawnshop licenses of whom he or she has notice, of the time, date and place at which the City Manager or designee shall conduct a drawing for the license application and:~~

~~A. The winner(s) of the drawing shall receive an application form, which must be completed and returned to the City Manager or designee with the license fee within three months of the date of the drawing. At the time of submission of the application, the premises upon which the pawnshop is to be conducted must be in a safe and usable condition in compliance with all applicable building, fire, zoning, health and safety regulations.~~

~~B. The City Manager or designee shall review the application and notify the applicant within thirty days of receipt thereof of its decision to approve or reject it.~~

~~C. If, after the application is approved, the pawnshop licensee fails to open for business within six months of the issuance of the license, or if the business is closed or abandoned at any time after the business is opened for a period in excess of six months, the pawnshop license granted under this Chapter shall become null and void, and shall be awarded to another applicant according to the procedures outlined in this Chapter; provided, that the pawnshop licensee may be granted additional time to open for business upon a showing of unusual or unforeseeable circumstances causing the delay.~~

~~D. Notice of a denial of an application shall include a statement detailing the reasons therefor. If such denial is for the reasons that the premises to be used for the pawnshop do not comply with an applicable rule or regulation, the applicant shall be granted an additional thirty days to bring the premises into compliance and resubmit the application.~~

~~E. The resubmitted application shall be reviewed within fifteen days for the purposes of determining if the defect in the premises has been corrected. If the defect still exists, the City Manager or designee's denial of the application shall be final and the license fee minus one~~

~~hundred dollars administrative costs shall be refunded.~~

~~F. Upon final denial of the original application, the City Manager or designee shall offer an application to the next successful applicant in the prior drawing. If there are no further applicants, the City Manager or designee shall hold another drawing at such time as he or she receives a request for an additional license. (Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)~~

5.12.075 Additional Requirements for Pawnshop Licenses.

In order to be licensed and maintain a valid pawnshop license under this Chapter, all pawnshops ~~must~~ shall have a current valid Federal Firearms License, and all persons who own or possess an ownership interest of any nature whatsoever (owners) in any Pawnshop(s) located within the City of Lakewood: must satisfy the following criteria:

A. The owners must submit to the City on the pawnshop business license application form, in a form approved by the City, and shall supplement, amend and re-submit to the City any time the information thereon changes, the following information: each owner's full name, residential address, telephone number, date and place of birth, race, gender, driver's license number or state identification card number (with a photocopy of the driver's license or state identification card), the extent and nature of the ownership interest, and signature

B. The owners shall have had no criminal convictions or have been placed in any diversion programs, stipulations on continuances, deferred sentences and deferred prosecution or any similar judicial device during the period of the diversion, continuance, deferral or similar program within the previous seven years for any felonies and/or any crimes against moral turpitude, nor for any crimes involving firearms, illegal drugs, theft, possession of stolen property, pawnbroker statutes of the State of Washington or any other state, nor for any violations of the provisions of this Chapter.

C. Each owner must meet the following additional criteria:

1. He or she must meet all of the requirements and be eligible to possess a firearm and a concealed pistol permit under the provisions of RCW Chapter 9.41, including RCW 9.41.070;
2. He or she must not have a concealed pistol license in a revoked status;
3. He or she must be eligible to possess a Federal Firearms License;
4. He or she must possess a valid, current state Firearms License.

D. The City is authorized and entitled to conduct, or have conducted for and on its behalf, investigations to substantiate and verify any of the above information. (Ord. 217 § 1 (part), 1999.)

5.12.076 Requirements for employment as a pawnbroker in pawnshops.

No person shall be employed to work in a pawnshop as a pawnbroker unless that person meets the following criteria:

A. The owner(s) of each pawnshop must submit to the City a list appended to pawnshop business license application form, in a form approved by the City, and shall supplement, amend and be re-submitted to the City any time the information thereon changes, the following information: each employee's full name, residential address, telephone number, date and place of birth, race, gender, driver's license number or state identification card number (with a photocopy of the driver's license or state identification card).

B. The employee shall have had no criminal convictions or have been included in any diversion programs, stipulations on continuances, deferred sentences and deferred prosecution and any similar judicial device during the period of the diversion, continuance, deferral or similar program. within the previous seven years for any crimes against moral turpitude, nor for any felonies and/or any crimes involving firearms, illegal drugs, theft, possession of stolen property, pawnbroker statutes of the State of Washington or any other state, nor for any violations of the provisions of this Chapter.

C. Each employee shall also meet the following additional criteria:

1. He or she must not be ineligible to possess a firearm under the provisions of RCW Chapter 9.41, and he or she, if twenty-one years of age or older, shall have a current valid concealed weapons permit pursuant to RCW 9.41.070; including RCW 9.41.040 or 9.41.045;

2. He or she must not be ineligible to possess a Federal Firearms License;

3. He or she must not be ineligible to possess a state Firearms License; Provided, that with respect to the criteria set forth in sub-paragraphs 1, 2 and 3 hereof, these provisions shall not be construed as precluding a pawnshop from employing an employee who does not meet the requirements of said sub-paragraphs 1, 2 and 3 where the failure of the employee to meet the requirements is solely because the employee's age is under twenty-one (21) years, so long as the employee is at least eighteen (18) years of age and the employee does not engage in or become involved with any transactions involving firearms or any other property where a customer must be twenty-one years of age (21).

D. The City is authorized and entitled to conduct, or have conducted for and on its behalf, investigations to substantiate and verify any of the above information. (Ord. 217 § 1 (part), 1999.)

5.12.080 Garage Sales Licenses. (Repealed)

(Repealed Ord. 610 § 29, 2015; Ord. 217 § 1 (part), 1999; Ord. 185 § 1, 1998; Ord. 53 § 2 (part), 1996.)

5.12.090 Customer Identification. (Repealed)

(Repealed Ord. 610 § 30, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.100 Record of Transactions. (Repealed)

(Repealed Ord. 610 § 31, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.110 Daily Reports to Law Enforcement. (Repealed)

(Repealed Ord. 610 § 32, 2015; Ord. 217 §1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.120 Issuance of Pawn Tickets.

A. Every pawnshop shall issue a numbered loan contract for each item of property received by him or her as pledges for loans, which loan contract shall be considered receipt for such property. Tags shall be attached to all such property and upon each tag shall be written in legible figures a number which shall correspond to the number on the loan contract issued for such article or articles.

B. All loan contracts must contain all of the elements prescribed by RCW 19.60.061(3). (Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.130 Retention of Property. (Repealed)

(Repealed Ord. 610 § 33, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 §2 (part), 1996.)

5.12.140 Prohibited Transactions.

No pawnbroking transaction, or any other part of such transaction, shall be carried on or conducted on any day before eight a.m. or after nine p.m.; nor on New Year's Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day; provided, however, that such establishment may remain open for carrying on the business of retail merchandising at any time upon any day of the week unless otherwise prohibited by law. (Ord. 610 § 18, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.150 Termination of Business.

Whenever any pawnshop business ceases, terminates or winds up such business, such intention shall be publicized by an advertisement in a newspaper of general circulation in the City, and such business shall be continued for a period of not less than one hundred twenty (120) days from the date of such publication, during which period no additional loan shall be made; provided, however, that this Section shall not apply where such business is sold in its entirety to a pawnshop, duly licensed pursuant to the provisions of this code, in which case a written list of all outstanding loans for which redemption periods have not expired shall be furnished to the law enforcement department/agency of the City prior to the actual date of sale of such business. (Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.160 Purchasing of Property.

Every entity subject to this Chapter shall have the authority and the power to purchase used property, wares, merchandise, except motor vehicles, in their ordinary course of business as pawnshops, second-hand and antique dealers and transient traders; provided, that every purchase by a pawnshop, second-hand and antique dealer and transient trader shall be pursuant to the regulations set forth in this Chapter; and provided further, that no Pawnshop shall purchase outright any metal or nonmetal junk ~~as either is defined elsewhere in this code.~~ (Ord. 610 § 19, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.170 Altered Serial Numbers.

When any vehicle, equipment, device, or parts thereto is being inspected and a record thereof made as required in ~~Section~~ by this chapter or chapters 19.60 or 19.290 RCW, if it appears that any of the numbers required to be recorded by said Section are intentionally defaced, changed or altered, in any manner, the person so recording shall immediately notify the law enforcement department/agency of the City of such fact. (Ord. 610 § 20, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.180 Flea Market Reports. (Repealed)

(Repealed Ord. 610 § 34, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.190 Holds. (Repealed)

(Repealed Ord. 610 § 35, 2015; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.200 Disposal of Goods.

Sale of antiques and second-hand goods must be in compliance with all State laws and regulations, as now enacted or hereafter amended, which govern the sale of second-hand goods. Violation of State laws and regulations governing the sale of second-hand goods shall constitute a violation of this Code. (Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.210 Penalties. (Repealed)

(Repealed Ord. 610 § 36, 2015; Ord. 300 § 13, 2003; Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)

5.12.220 Intent. (Repealed)

~~The intent of this Chapter is to supplement the provisions of RCW Chapter 19.60. (Ord. 217 § 1 (part), 1999; Ord. 53 § 2 (part), 1996.)~~

Section 2. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 3. Effective Date. That this Ordinance shall be in full force and effect thirty (30) days after publication of the Ordinance Summary.


ADOPTED by the City Council this 4th day of June, 2018.

CITY OF LAKEWOOD

Attest:

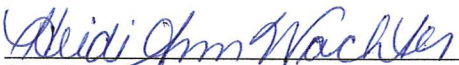


Don Anderson, Mayor



Briana Schumacher, City Clerk

Approved as to Form:



Heidi Ann Wachter, City Attorney