

**CITY OF CENTENNIAL,
COLORADO**

ORDINANCE NO. 2014-O-01

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
CENTENNIAL, COLORADO AMENDING PROVISIONS OF ARTICLE 7
OF CHAPTER 6 OF THE CENTENNIAL MUNICIPAL CODE
CONCERNING PAWNBROKER BUSINESS OPERATIONS, LICENSE
RENEWAL, LICENSE DISPLAY, ACCESSIBILITY TO LAW
ENFORCEMENT, AND SECURITY REQUIREMENTS**

WHEREAS, the City is authorized pursuant to Section 12-56-102 of the Colorado Revised Statutes to license pawnbrokers, require that pawnbrokers be bonded and insured, and to enact regulations governing pawnbrokers; and

WHEREAS, by Ordinance 2013-O-24 the City of Centennial (the “City”) adopted comprehensive provisions governing the licensing and operation of pawnbrokers in the City; and

WHEREAS, City Staff charged with licensing and enforcement of the City’s pawnbroker licensing program has identified necessary clarification of and amendments to the pawnbroker licensing provisions codified in Article 7 of Chapter 6 of the Centennial Municipal Code; and

WHEREAS, pawnbrokering conducted via the Internet has unique methods for processing and documenting transactions and does not involve personal interaction or delivery of items being pledged; and

WHEREAS, the Arapahoe County Sheriff’s Office, in conjunction with City Staff, has identified additional security measures and best practices pertaining to the receipt and safekeeping of personal property delivered to Internet Pawnbrokers that will be beneficial to both the licensed pawnbroker and to the owners of such personal property.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, ORDAINS:

Section 1. **Amendment of Section 6-7-20.** The definition of *Internet Pawnbroker* as set forth in Section 6-7-20 is hereby repealed and reenacted to read as follows:

Internet Pawnbroker means a business operation that

(a) engages in Pawnbrokering, which business is principally conducted over the Internet or by such other electronic communication;

(b) has no retail business location or other form of storefront location within the City from which the business conducts either any retail transaction with any Person or any Pawnbrokering transaction that is not conducted over the Internet or by such other electronic communication;

(c) owns, leases, rents, or otherwise exercises control over real or personal property within the City; and

(d) directly or indirectly or by a subsidiary, maintains within the City an office, building, structure, distributing house, warehouse, or other place of business or an office for employees, agents or commissioned sales persons to solicit or conduct business.

Section 2. Amendment of Section 6-7-20. The definition of *Manager* as set forth in Section 6-7-20 is hereby repealed and reenacted to read as follows:

Manager means any natural person on the Licensee's premises within the City who manages, directs, supervises, oversees, and administers the transactions and acts of servants of the establishment issued a City license or permit, including but not limited to the officers of the Applicant or Licensee.

Section 3. Amendment of Subsection (c) of Section 6-7-120. Subsection (c) of Section 6-7-120 is hereby repealed and reenacted to read as follows in its entirety:

(c) A Licensee shall conduct Pawnbrokering from only one (1) business location, which shall be the location listed on the Licensee's license. This provision shall not prohibit a Licensee from using warehouses or other storage locations away from the licensed place of business, but such other location shall also be within the City, and shall only be used if the Licensee first submits written notice to the City Manager of such off-site locations. Such off-site locations shall be open to any Peace Officer, including those officers of the Law Enforcement Agency, for inspection as provided in Section 6-7-600 of this Article.

Section 4. Amendment of Subsection (a) of Section 6-7-140. Subsection (a) of Section 6-7-140 is hereby repealed and reenacted to read as follows in its entirety:

(a) All Applicants for a Pawnbroker's license shall file an application for such license with the City Clerk on forms to be promulgated and provided by the Clerk. Such forms shall require information sufficient to establish conformance with this Article and the laws and regulations of the City and, at a minimum, shall require the following:

(1) The names of each individual Applicant, partner of a partnership, manager of a limited liability company, officers and directors of the Applicant, and holders of twenty percent (20%) or more of the corporate stock of the corporate Applicant, holders of twenty percent (20%) or more interest in a limited liability company or any other Person with a financial interest of twenty percent (20%) or more in the Applicant; and

(2) The names of all Managers of the Applicant; and

(3) Proof of the name and date of birth of all natural persons named in the application, such as a birth certificate, alien registration card, or other reasonable identification card; and

(4) A photograph and a complete set of fingerprints of the individual Applicant, partner of a partnership, manager of a limited liability company, officers, and Managers of the Applicant; and

(5) A written certificate or other form of confirmation prepared by the City of Centennial Community Development Department that the Pawnbrokering business is a permitted use for the proposed location; and

(6) Written proof of the Applicant's right to possession of the premises proposed for the Applicant; and

(7) A Financial Questionnaire, Consent to Release Financial Information, and a current personal financial statement or a balance sheet and income account statement for the preceding twelve (12) month period prior to the date of the application for each individual Applicant, partner of a partnership, manager of a limited liability company, officer, and Manager of the Applicant; and

(8) For any corporate owner and/or operator of the Applicant, evidence that the corporation(s) is/are in good standing under the statutes of the State of Colorado, or in the case of a foreign corporation, evidence that it is currently authorized to do business in the State of Colorado; and

(9) Any other information that is requested on the application forms; and

(10) For Applicants seeking to operate as an Internet Pawnbroker, the web site address that the Applicant will use for Pawnbrokering that occurs within the City and a "to scale" diagram of the premises proposed for licensure, no larger than 8.5 inches by 11 inches, showing, without limitation, the building layout and floor plan of the proposed premises, all entry ways and exits to the proposed premises, all loading areas, the locked secure area for Tangible Personal Property, location of the required burglary safe, and a security plan indicating the location of all video cameras relative to where Tangible Personal Property will be removed from the container in which it is delivered.

Section 5. Amendment of Section 6-7-220. Section 6-7-220 is hereby repealed and reenacted to read as follows in its entirety:

Sec. 6-7-220. Expiration and annual renewal.

(a) Each license issued pursuant to this Article shall be valid for a period of one (1) year from the date of issuance.

(b) All renewal applications for City licenses shall be submitted to the City Clerk no later than forty-five (45) days prior to the expiration of the period for which the license is issued. Each renewal application shall include copies of the Licensee's balance sheets and income statements for the preceding twelve (12) month period. When an application for renewal is received in proper form by the City Clerk, the City Clerk shall

conduct an investigation and submit to the City Manager a recommendation with respect to the approval or denial of the renewal application unless the City Clerk deems an investigation unnecessary and elects to recommend approval without such investigation.

(c) Any application for renewal submitted past the expiration of the period for which the license was issued will not be accepted. The Pawnbroker must apply for a new license and shall not engage in the business of Pawnbrokering until it has obtained all required licenses.

Section 6. Amendment of Section 6-7-300. Section 6-7-300 is hereby repealed and reenacted to read as follows in its entirety:

Sec. 6-7-300. License display required.

(a) Once the City has issued a license pursuant to this Article, it shall be unlawful for the Licensee to fail to display such license within the licensed premises in a location that is prominent and readily viewable by the public. It shall be unlawful for Internet Pawnbrokers to display or permit display of a copy of such license on any web site other than a web site used for Pawnbrokering that occurs within the City.

(b) If the City has suspended or revoked a Licensee's license pursuant to this Article, the Pawnbroker shall:

- (1) remove such license from display;
- (2) secure all entries to the business so that it is not accessible to the general public.

(c) If the City has suspended a Licensee's license pursuant to this Article, the Pawnbroker shall also post a notice that contains the following statement: "ATTENTION: This business is not currently authorized to conduct pawnbrokering in the City of Centennial." The notice shall also include a telephone number at which the Manager for the Pawnbroker may be reached. For Retail Pawnbrokers, the notice shall be at least 8.5 inches x 11 inches in size and legibly printed in a minimum of 48 pt font size, and shall be posted in a location that is prominent and readily viewable by the public. Internet Pawnbrokers shall post such notice on the Pawnbroker's web site used for Pawnbrokering that occurs within the City in a font and location that is prominent and readily viewable by all web site visitors. All Pawnbrokers shall maintain such posted notice until either the City reinstates the Pawnbroker's license or until the City revokes the Pawnbroker's license pursuant to this Article.

Section 7. Amendment of Section 6-7-320. Subsection (a) of Section 6-7-320 is hereby repealed and reenacted to read as follows in its entirety:

(a) A Licensee shall employ a Manager to operate the Pawnbrokering business, provided, however, that the Licensee retains complete control of all aspects of the business, including, but not limited to, maintaining the Licensee's right to possession of the premises, responsibility for all debts, and bearing all risk of loss or opportunity for

profit from the business. The Manager shall ensure that the licensed premises are adequately staffed in order to comply with this Article.

Section 8. Amendment of Section 6-7-330. Section 6-7-330 is hereby repealed and reenacted to read as follows in its entirety:

Sec. 6-7-330. Hours of Operation.

(a) It shall be unlawful for Retail Pawnbroker Licensees to be open for business or to operate the establishment wherein the business of Pawnbrokering is carried on before 8:00 a.m. or after 9:00 p.m.

(b) Internet Pawnbroker Licensees shall have a Manager or other authorized employee physically present at the licensed premises for a minimum of three (3) hours per day between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding holidays recognized under federal, state, and local law. Internet Pawnbroker Licensees shall post their hours of operation at the licensed premises in a location that is prominent and readily viewable by the public.

Section 9. Amendment of Section 6-7-390. Section 6-7-390 is hereby repealed and reenacted to read as follows in its entirety:

Sec. 6-7-390. Safekeeping; Insurance.

(a) All Licensees shall provide a safe place within the City for the keeping of Pledged Property it has received. Internet Pawnbrokers shall maintain a monitored alarm system for the licensed premises and shall designate a locked secure area within such premises that is not open to the general public for opening, recording receipt, and holding of Pledged Property. Internet Pawnbrokers shall also maintain on the licensed premises a burglary safe with a minimum rating of TL-15 for the storing of small items of high value.

(b) All Licensees shall maintain sufficient insurance on the Pledged Property held for the benefit of the Pledgor to pay fifty percent (50%) of the real value thereof in case of fire, theft, or other casualty loss. The City Manager shall not approve an application for a license under this Article unless and until the Applicant has provided such insurance policies to the City Manager. Neither the Licensee nor surety shall be relieved from their responsibility by reason of such fire, theft, or other casualty loss, nor from any other cause unless they have rendered full performance in accordance with the Contract for Purchase.

Section 8. Amendment of Section 6-7-510. Section 6-7-510 is hereby repealed and reenacted to read as follows in its entirety:

Sec. 6-7-510. Videotape and photograph requirements.

Retail Pawnbroker Licensees shall video record all transactions, including those that do not result in a Contract for Purchase or Purchase Transaction, and shall digitally photograph the face of each Pledgor who enters into a Purchase Transaction or Contract

for Purchase with the Retail Pawnbroker Licensee. Internet Pawnbroker Licensees shall video record the receipt of all Tangible Personal Property received and the opening of all containers in which such property is delivered. The video recording and photograph required by this Section shall be in a format approved by the Law Enforcement Agency and shall be of such quality that it clearly displays the item received and, if applicable, an identifiable frontal image of the Pledgor. All Licensees shall keep all required video recordings for a minimum of ninety (90) days from the date upon which they were created and all recordings shall be subject to review by Peace Officers or the Law Enforcement Agency. The Retail Pawnbroker Licensee shall keep the digital photograph of all Pledgors for one hundred and eighty (180) days from the date upon which it was created, regardless of whether that photograph was captured by still camera or video recording.

Section 9. Severability. If any provision of this Ordinance, or the application of such provision to any person or circumstance, is for any reason held to be invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. The City Council hereby declares that it would have passed this Ordinance and each provision thereof, even though any one of the provisions might be declared unconstitutional or invalid. As used in this Section, the term "*provision*" means and includes any part, division, subdivision, section, subsection, sentence, clause or phrase; the term "*application*" means and includes an application of an ordinance or any part thereof, whether considered or construed alone or together with another ordinance or ordinances, or part thereof, of the City.

Section 10. Codification Amendments. The codifier of the City's Municipal Code, Colorado Code Publishing, is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Centennial Municipal Code.

Section 11. Effective Date. Except as otherwise expressly provided herein, the provisions of this Ordinance shall become effective thirty (30) days after publication following final passage.

Section 12. Safety Clause. The City Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City of Centennial, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The City Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

INTRODUCED, READ, AND ORDERED PUBLISHED BY THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD ON THE 9TH DAY OF DECEMBER, 2013.

CITY OF CENTENNIAL

By: _____
Cathy A. Noon, Mayor

Approved as to Form:

For City Attorney's Office

I hereby certify that the above Ordinance was introduced to the City Council of the City of Centennial at its meeting of December 9, 2013 and ordered published one time by title only in *The Villager* newspaper on December 12, 2013, and in full on the City web site in accordance with Section 2-1-110 of the Municipal Code.

ATTEST:

SEAL

By: _____
City Clerk or Deputy City Clerk

FINALLY ADOPTED, PASSED, APPROVED WITH AMENDMENTS, IF ANY, AND ORDERED PUBLISHED BY TITLE ONLY, IN *THE VILLAGER* NEWSPAPER AND IN FULL ON THE CITY WEB SITE IN ACCORDANCE WITH SECTION 2-1-110 OF THE MUNICIPAL CODE BY THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS MEETING HELD ON THE ____ DAY OF _____, 2014, BY A VOTE OF ____ IN FAVOR AND ____ AGAINST.

CITY OF CENTENNIAL

By: _____
Cathy A. Noon, Mayor

I hereby certify that the above Ordinance was finally adopted by the City Council of the City of Centennial at its meeting of _____, 2013, and ordered published by title only, one time by *The Villager* newspaper on _____, 2013 and in full on the City web site in accordance with Section 2-1-110 of the Municipal Code.

SEAL

ATTEST:

By: _____
City Clerk or Deputy City Clerk