

CHAPTER 6.17

DEALERS IN USED GOODS

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6.17.010: Generally: This Chapter regulates secondhand dealers, pawnbrokers and similar activities. (Ord. 2601 Sec. 1 (part), 1981; Ord. 2542 Sec. 11 (part), 1980)

6.17.020: Class: Licenses issued under this Chapter are Class II licenses. (Ord. 2542 Sec. 11 (part), 1980)

6.17.030: Definitions: Unless the context clearly requires otherwise, the definitions in this Section apply throughout this Chapter.

(1) "Database" means Leads Online or similar service as authorized by the Kennewick Police Department.

(2) "Melted Metals" means metals derived from metal junk or precious metals that have been reduced to a melted state from other than ore or ingots which are produced from ore that has not previously been processed.

(3) "Metal Junk" means any metal that has previously been milled, shaped, stamped, or forged and that is no longer useful in its original form, except precious metals.

(4) "Nonmetal Junk" means any nonmetal, commonly discarded item that is worn out, or has outlasted its usefulness as intended in its original form except nonmetal junk does not include an item made in a former period which has enhanced value because of its age.

(5) "Nonprofit Organization" includes, but is not limited to, fraternal organizations, hobby societies, educational societies, historical societies, museums, hospital auxiliary groups, churches, church auxiliary organizations, student groups and parent-teacher organizations.

(6) "Pawnbroker" means every person engaged, in whole or in part, in the business of loaning money on the security of pledges of personal property, or conditional sales of personal property, or the purchase or sale of personal property.

(7) "Precious Metals" means gold, silver, and platinum.

(8) "Rummage Sale" means a rummage sale, white elephant sale, auction sale, or any similar sale of merchandise by a nonprofit organization when the proceeds of such sale is

intended to be used in a community service, child or youth activity, charitable or other welfare work.

(9) “Secondhand Dealer” means every person engaged, in whole or in part, in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property including metal junk, melted metals, and precious metals.

(10) “Secondhand Property” means any item of personal property offered for sale which is not new, including metals in any form, except postage stamps, coins that are legal tender, bullion in the form of fabricated hallmarked bars, used books, and clothing of a resale value of \$75.00 or less, except furs.

(11) “Transaction” means a pledge, or the purchase of, or consignment of, or the trade of any item of personal property by a pawnbroker or a secondhand dealer from a member of the general public.

(12) “Transient Trader” means any secondhand dealer not maintaining a regular place of business in Benton or Franklin County.

(13) “Yard Sale” means a yard sale, patio sale, garage sale, or any similar sale of merchandise by an individual or group for profit when the merchandise to be sold is offered to the general public. (Ord. 5357 Sec. 1, 2011: Ord. 3321 Sec. 1, 1991: Ord. 2908 Sec. 1 (part), 1985: Ord. 2808 Sec. 1, 1984: Ord. 2601 Sec. 1 (part), 1981: Ord. 2542 Secs. 2 and 11 (part), 1980: Ord. 1657 Sec. 1, 1973)

6.17.040: License Required:

(1) No person may engage in the business of being a pawnbroker or secondhand dealer without securing a license as required by this Chapter.

(2) No license is required for motor vehicle dealers licensed under Chapter 46.70 RCW, motor vehicle wreckers and hulk haulers licensed under Chapter 46.79 or 46.80 RCW, persons giving an allowance for the trade-in or exchange of secondhand property on the purchase of other merchandise of the same kind of greater value, persons in the business of buying or selling empty food and beverage containers or metal or nonmetal junk, and persons holding a yard sale.

(3) No person shall hold a rummage sale without securing a license as required by this chapter. (Ord. 5210 Sec. 1, 2007: Ord. 3321 Sec. 2, 1991: Ord. 2908 Sec. 1 (part), 1985: Ord. 2808 Sec. 2, 1984: Ord. 2601 Sec. 1 (part), 1981: Ord. 2542 Sec. 11 (part), 1980)

6.17.050: Fees: License fees under this Chapter shall be \$300.00 per year. The fee for a rummage sale shall be \$5.00 per event. (Ord. 5357 Sec. 2, 2011: Ord. 5210 Sec. 2, 2007: Ord. 5008 Sec. 10, 2003: Ord. 3321 Sec. 3, 1991: Ord. 2975 Sec. 2 (part), 1985: Ord. 2542 Sec. 11 (part), 1980)

6.17.060: Requirements: No license shall be issued to any person under the age of 18 years. (Ord. 2542 Sec. 11 (part), 1980)

6.17.070: Records:

(1) All pawnbrokers and secondhand dealers doing business in the City of Kennewick shall enter a record of all loans and purchases of all property affected or made by him. They shall also transmit to the City of Kennewick Chief of Police or his designee before noon of each day by means of electronic digital transmission in such format that the required information is capable of direct electronic entry into the Kennewick Police Department’s computerized database system (hereinafter “database”). This system is in part used for identifying, tracing lost, stolen and sought after property. The data and database shall be in the

format as directed by the City of Kennewick Chief of Police or his designee. All digital transmissions made to the database must be legibly in the English language and shall include the following information for all loans and/or purchases which shall be collected at the time of each transaction:

- (a) The signature of the person with whom the transaction is made;
- (b) The date of the transaction;
- (c) The name of the person or employee or the identification number of the person or employee conducting the transaction when approved by the License Officer;
- (d) The name, date of birth, sex, height, weight, race, and address and telephone number of the person with whom the transaction is made;
- (e) A complete description of the property pledged, bought, or consigned, including the brand name, serial number, model number or name, any initials, or an engraving, size, pattern, and the color, or stone or stones, and in the case of firearms, the caliber, barrel length, type of action, and whether it is a pistol, rifle, or shotgun;
- (f) The price paid or the amount loaned;
- (g) The type and identifying number of identification used by the person with whom the transaction was made, which shall consist of a valid driver's license or identification card issued by any state, or two pieces of identification issued by a governmental agency, one of which shall be descriptive of the person identified. At all times, one piece of current government issued picture identification will be required; and
- (h) The nature of the transaction, a number identifying the transaction, the store identification as designated by the License Officer, or the name and address of the business and the name of the person or employee, conducting the transaction and location of the property.

(2) This record must, at all times during the ordinary hours of business, or at reasonable times if ordinary hours of business are not kept, be open to the inspection of the License Officer, and any commissioned law enforcement officer and be maintained wherever that business is conducted for three years following the date of the transaction. (Ord. 5357 Sec. 3, 2011; Ord. 3321 Sec. 4, 1991; Ord. 2808 Sec. 3, 1984; Ord. 2601 Sec. 1 (part), 1981; Ord. 2542 Sec. 11 (part), 1980)

6.17.075: Implementation:

(1) From and after the date called for by the phase-in schedule in subsection (3), every pawnbroker or secondhand dealer, except those exempted by operation of Section 6.17.078 and those exempt through operation of Section 6.17.030(10) shall, before noon of each day, transmit to the Chief of Police by means of electronic transmission through a modem or similar device or in such a format that the data are capable of direct electronic entry into the Kennewick Police Department's database system for identifying and tracing property. The identifying information described in Section 6.17.070 is required to be recorded concerning all transactions in which the licensee received used goods the preceding day by pawn, trade, purchase, or consignment.

(2) The Chief of Police shall, by rule adopted in accordance with Chapter 6.17 of the Kennewick Municipal Code, establish the format and requirements for the transmission of data and may by rule restrict the scope of the items that are to be electronically reported. A transaction reported by electronic transmission under subsection (1) shall not be reported on paper forms unless the Chief of Police so requests. Each pawnbroker or secondhand dealer shall pay a fee of twenty-five cents (\$.25) per transaction required to be electronically

reported if the electronic report transmitted to the Chief of Police is erroneous, duplicative, or in an incorrect or incompatible format, or if no electronic report of the transaction is transmitted.

If, after establishing the format and requirements for the transmission of computerized reports of transactions, the Chief of Police alters the required format, pawnbrokers and secondhand dealers shall be given at least thirty (30) days to comply with the new format requirements.

(3) Pawnbrokers and secondhand dealers shall report their transactions electronically to the Chief of Police as required by subsections (1) and (2) from and after the following dates:

- (a) For each pawnshop for which a Pawnbroker Endorsement or for each secondhand dealer for which a license in used goods is first obtained, on or after the effective date of the ordinance codified in this Section, effective upon commencing business or one month after the effective date of the initial rules adopted pursuant to subsection (2), whichever is later;
- (b) For each pawnshop for which a Pawnbroker Endorsement or for each secondhand dealer for which a license in used goods was first obtained before the effective date of the ordinance codified in this Section that by the effective date of the ordinance codified in this Section has adopted a computerized recordkeeping system for maintaining its own record of transactions, no later than one month after the effective date of the initial rules adopted pursuant to subsections (2).

(4) The Chief of Police may, for good cause shown, grant a pawnbroker or secondhand dealer an extension of the otherwise applicable deadline to a date not later than September 30, 2011. An extension may only be granted:

- (a) Upon written application by the pawnbroker or secondhand dealer;
- (b) Upon a showing that the pawnbroker or secondhand dealer is making satisfactory progress toward acquiring computer programs and equipment to make the necessary transmission; and
- (c) Upon agreement by the pawnbroker or secondhand dealer to pay to the City a fee of twenty-five cents (\$.25) per transaction reported after the otherwise applicable deadline to offset the Kennewick Police Department's costs in converting the data from paper format into electronic form. (Ord. 5357 Sec. 5, 2011)

6.17.078: Exempt Pawnbrokers/Secondhand Dealers: Pawnbrokers and secondhand dealers need not report, electronically, transactions taking place at a business location where the number of pawn or secondhand property transactions in one week does not exceed ten (10) (calculated from each Monday through the next Sunday, inclusive). A pawnbroker or secondhand dealer reasonably believing a location at which he or she conducts a pawnshop or sale of secondhand goods qualifies under this subsection for exemption from computerized reporting and wishing to be exempt from the requirement of Section 6.17.080(1) shall sign, under penalty of perjury, a declaration to that effect in a form developed by the Chief of Police. Once the declaration is signed, so long as the volume of transactions does not exceed ten (10) each week, pawn transactions or secondhand goods transactions taking place at that location need not be reported electronically, but the pawnbroker or secondhand dealer must comply in all respects with Sections 6.17.070 and 6.17.080, and must pay to the City the sum of twenty-five cents (\$.25) per pertinent transaction to offset the Kennewick Police Department's costs in converting the data from paper format into electronic form. If, in any

two (2) weeks within any consecutive three (3) month period, the number of pawn or secondhand goods transactions at such a location exceeds ten (10), then the pawnbroker/secondhand dealer shall cease conducting said transactions at that business location until a computerized system is in place and pawn/secondhand goods transactions are being reported electronically in compliance with Section 6.17.070. (Ord. 5395 Sec. 1, 2011; Ord. 5357 Sec. 6, 2011)

6.17.080: Regulations:

(1) Issuance of Receipts and Tickets. Every pawnbroker and secondhand dealer shall, by the end of the business day, make entry into the database, a record of all items pawned or purchased by said business during the previous 24 hours. Each entry shall reflect the information as contained in Section 6.17.070(1)(a–h) and must be legible. The database submission/transmission shall include electronic photographs of all persons who have sold items to the pawnbroker or secondhand dealer during the preceding day in the form of a copy of each person’s photo identification or in the form of a photograph of each person with identifiers (name and date of birth) on said photo. Additionally, the database submissions/transmissions shall also include photographs of items purchased by the pawnbroker or secondhand dealer during the preceding day if said items are not identifiable by a serial number. The photos shall include a display showing the name and date of birth of the seller and the date of the transaction.

(2) Lost or Stolen Property. If a licensee has good cause to believe that any property in his possession has been previously lost or stolen, he must promptly report that fact to the License Officer, together with the name of the owner, if known, and the date when, and the name of the person from whom it was received.

(3) Holding Stolen Property. After notice from any law enforcement agency that an item of property has been reported as stolen, the licensee must hold that property intact and safe from alteration, damage, or commingling. He must place an identifying tag or other suitable identification upon the property so held. Property held may not be released for 120 days from the date of notification unless released by written consent of the applicable law enforcement agency or by order of a court of competent jurisdiction. In cases where the applicable law enforcement agency has placed a verbal hold on an item, that agency must then give written notice within ten days. If such written notice is not received within that period of time, then the hold order will cease. The licensee must give a 20-day written notice before the expiration of the one hundred twenty (120) day holding period to the applicable law enforcement agency about the stolen property. If notice is not given within the required 20-day period, then the hold on the property must continue for an additional 120 days. The applicable law enforcement agency may renew the holding period for additional 120-day periods as necessary. After receipt of notification from a licensee, if an additional holding period is required, the applicable law enforcement agency shall give the licensee written notice, prior to the expiration of the existing hold order. A law enforcement agency shall not place on hold any item of personal property unless that agency reasonably suspects that the item of personal property is lost or stolen. Any hold that is placed on an item will be removed as soon as practicable after the item on hold is determined not to be stolen or lost.

(4) No Sale within 30 Days. Property bought or received on consignment by a secondhand dealer may not be removed from his place of business, except consigned property returned to the owner, within 30 days after the receipt of the property. Property bought or received on consignment by a transient trader may not be removed from Benton or Franklin Counties, except consigned property returned to the owner within 30 days after receipt of the property. Property bought or received in pledge by any pawnbroker may not be removed from

his place of business, except when redeemed by the owner, within 30 days after the receipt of the property. Property must at all times during the ordinary hours of business be open to inspection by any commissioned law enforcement officer.

(5) Purchasing from Certain Persons. No licensee may purchase or receive property from any person under the influence of intoxicating liquor or drugs, from any known thief or person whom he has reason to believe is tendering stolen property, or from any person under the age of 18 years.

(6) Premises. The premises must be maintained at all times in accord with current building and fire code regulations. Exterior storage areas must at all times be screened and fenced so as not to be visible from any public way, and the fence must be of such construction as to prevent the trespassing of small children. Yard and rummage sales are not restricted to location because of zoning regulations, except that the sale must be conducted on private property and shall not be permitted on sidewalks, alleys, streets or other public ways. Yard sales must be conducted on the property of the licensee.

(7) Pawnbrokers. A pawnbroker may not sell any property received in pledge, until both the term of the loan and a grace period of a minimum of 60 days has expired. However, if a pledged article is not redeemed within the 90-day period of both the term of the loan and the grace period, the pawnbroker shall have all rights, title, and interest of that item of personal property. The pawnbroker shall not be required to account to the pledgor for the proceeds received from the disposition of that item. Any provision of law relating to the foreclosure and the subsequent sale of forfeited pledged items, shall not be applicable to any pledge as defined in this chapter, the title to which is transferred in accord with this section. Every transaction entered into by a pawnbroker must be evidenced by a written document, a copy of which must be furnished to the pledgor. The document must set forth the term of the loan and the date on which the loan is due and payable, and inform the pledgor of his right to redeem the pledge within 60 days after the expiration of the loan term.

(8) Yard Sales. Yard sales shall be limited to two such sales in each calendar year, for each individual group or location. An individual may participate in selling his own property in not more than two such sales in any calendar year, whether acting alone or as part of a group. Any sale shall not be conducted for a continuous period of more than five (5) calendar days. Merchandise offered for sale at a yard sale must consist of used or secondhand material owned by the seller for a period of not less than six months prior to the date of such sale, except that in the case of a seller leaving the community, a shorter period of ownership will be allowed, providing the merchandise was purchased for actual use by the seller and that the necessity for such sale of the merchandise could not have been foreseen at the time of purchase.

(9) Rummage Sales. Non-Profit organizations may conduct rummage sales. The permit will be issued when the application is submitted by an authorized member of the organization. The application shall show the name and type of organization, intended use of the proceeds for the sale, type of material to be sold, the location and date of the sale. The sale shall be conducted for a continuous period of not more than five (5) calendar days. The permit shall be displayed at the site of the sale. (Ord. 5423 Sec. 1, 2012; Ord. 5357 Sec. 4, 2011; Ord. 5210 Sec. 3, 2007; Ord. 3321 Sec. 5, 1991; Ord. 2808 Sec. 4, 1984; Ord. 2601 Sec. 1 (part), 1981; Ord. 2542 Sec. 11 (part), 1980)

6.17.085: Criminal Violations: It is a gross misdemeanor for:

(1) Any person to remove, alter, or obliterate any manufacturer's make, model, or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property that was purchased, consigned, or received in pledge. In addition,

any item shall not be accepted per pledge for a secondhand purchase where the manufacturer's make, model or serial number, personal identification number, or identifying marks engraved or etched upon an item of personal property has been removed, altered, or obliterated;

(2) Any person to knowingly make, cause, or allow to be made any false entry or misstatement of any material matter in any book, record, or writing required to be kept under this Chapter;

(3) Any person to violate knowingly any other provision of this Chapter; or

(4) Any person to make a purchase of personal property on condition of selling it back at a stipulated time and price greater than the purchase price for the purpose of voiding the interest and fees restricted by RCW 6.60. (Ord. 3321 Sec. 6, 1991: Ord. 2808 Sec. 5, 1984)

6.17.090: Revocation, Suspension and Penalties: The License Officer, or on review the Hearing Examiner, may suspend, revoke or refuse to issue a license if the licensee or applicant has violated any of the provisions of this Title. If the License Officer has reason to believe that the licensee is receiving, or has in his possession, stolen goods or contraband, he may immediately take steps under the summary order procedures of this Title to close and secure the building and remove the stolen or contraband material from the premises. The License Officer, or on review, the Hearing Examiner, may also assess a penalty of not less than \$25.00 nor more than \$500.00. They may also order that compensatory damages or restitution be paid to anyone injured as the result of a violation. The failure of the licensee to pay an assessment, damages or restitution automatically suspends the license until such time as they are paid. Suspensions, revocations, penalties, damages and restitution are suspended during the course of hearing, appeal and review unless the License Officer or Hearing Examiner finds that the licensee or applicant's claim is meritless. (Ord. 5322 Sec. 20, 2010: Ord. 3589 Sec. 2 (part), 1996: Ord. 3429 Sec. 5, 1992: Ord. 3160 Sec. 4, 1988: Ord. 2542 Sec. 10 (part), 1980)