

INTRODUCED: June 10, 2019

AN ORDINANCE No. 2019-156

To amend City Code § 26-983, concerning pawnbrokers and pawnshops, for the purpose of reflecting amendments to Va. Code § 54.1-4000.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 24 2019 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 26-983 of the Code of the City of Richmond (2015) be and hereby is **amended** as follows:

Sec. 26-983. Pawnbrokers and pawnshops.

(a) Every natural person lending or advancing money or other things for profit on the pledge and possession of tangible personal property or other valuable things, other than securities or written or printed evidences of indebtedness or title, or dealing in the purchasing of personal property or other valuable thing on the condition of selling the property or other thing back to the

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 24 2019 REJECTED: _____ STRICKEN: _____

seller at a stipulated price shall pay a license tax equal to \$750.00 and \$0.36 per \$100.00 of the gross receipts of the business in excess of \$100,000.00.

(b) Not more than 12 places in the City shall be licensed where the business of a pawnbroker, including a pawnbroker's sales store, may be conducted, and no license shall be granted to conduct a pawnshop or pawnbroker's sales store in the City, except to a natural person who is a qualified voter of the Commonwealth [~~or to a concern or corporation whose managing agents in the City are qualified voters thereof~~]. No such license shall be granted to any such voter[~~, concern or corporation,~~] except upon a certificate of the Chief of Police and of the Circuit Court of the City or a judge thereof in vacation, which shall explicitly state whether the natural person applying therefor is a proper person to conduct such business and whether the place where the business is proposed to be conducted is a proper and suitable place and whether such applicant has theretofore complied with the laws governing such business, so far as the records of the Department of Police and of the Circuit Court show, if the applicant has theretofore engaged in such business. No license shall be granted to a natural person convicted of a felony or a crime involving moral turpitude within the last ten years. Prior to the issuance of a license, the applicant shall furnish the applicant's date of birth and a sworn statement or affirmation disclosing any criminal convictions or any pending criminal charges, whether within or without the Commonwealth. No license shall be granted to any natural person to operate or conduct more than two pawnshops or pawnbroker's sales stores in the City, provided that this shall not apply to any natural person who owned and was licensed to operate or conduct more than one pawnshop or pawnbroker's sales store in the City on January 1, 1948, but no license shall be granted after such date to any such person to operate or conduct any additional pawnshop or pawnbroker's sales store in excess of the number of pawnshops or pawnbroker's sales stores operated or

conducted by any such person on January 1, 1948. If a properly licensed pawnbroker sells the pawnbroker's business, the Circuit Court of the City shall authorize the City to issue to the purchaser a new license for the same location if the purchaser has not been convicted of a felony or a crime involving moral turpitude in the last ten years. Prior to the issuance of the license, the purchaser shall furnish the purchaser's date of birth and any other information as may be required by the City.

(c) Every natural person to whom a license is to be granted under this section shall execute a bond with corporate surety in the penalty of \$500.00 payable to the City in a form satisfactory to the City Attorney. The bond shall be conditioned that such person will indemnify and save harmless the City and all other persons from any and all damages to the City and to all other persons and property directly or indirectly resulting from the operation of such pawnshop or pawnbroker's store or in the conduct of such business. The bond shall provide that suit may be brought thereon by the City or by any person entitled to indemnity thereunder and shall contain the further conditions that the licensee will make a daily report to the Chief of Police in the manner prescribed by the Chief and give all information called for by the prescribed manner of reporting and that the licensee will make use of any "call system" that may be installed or maintained by the City. The prescribed manner of reporting shall require at least the following information:

- (1) A full and complete list of all such articles bought, together with all marks, numbers, prints, letters and monograms on such articles;
- (2) The name, address and date of birth of the seller of any such article;
- (3) The seller's legible handwritten signature; and

(4) A current photograph in color of the seller in the format prescribed the Chief of Police.

(d) Every natural person to whom a license is to be granted under this section shall execute a bond with corporate surety in the minimum amount of \$50,000.00 to secure the payment of any judgment recovered against such person as a licensed pawnbroker. The bond shall provide that suit may be brought thereon by any person who recovers a judgment against the pawnbroker for the pawnbroker's misconduct if the execution issued upon such judgment is wholly or partially unsatisfied

§ 2. That any license issued pursuant to section 26-983 of the Code of the City of Richmond (2015), as amended, as of the effective date of this ordinance, to a pawnbroker that is not a natural person is hereby extended until March 1, 2020.

§ 3. This ordinance shall be in force and effect on July 1, 2019.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST

4-8845
MAY 24 2019

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: May 23, 2019

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

THROUGH: Lenora G. Reid, Deputy CAO, Finance and Administration

FROM: John B. Wack, Director of Finance

RE: Amendment to City Code Regarding Pawnbrokers

ORD. OR RES. No.

RECEIVED
JUN 07 2019
OFFICE OF THE CITY ATTORNEY

PURPOSE: To amend Section 26-983 of the Richmond City Code, concerning the definition of pawnbroker, for the purpose of reflecting amendments to the Code of Virginia.

REASON: House Bill 1773 of the 2019 Session of the General Assembly amended the Code of Virginia concerning the definition of pawnbrokers. It amends the definition of "pawnbroker" to only include natural persons. City Code Section 26-983 must be updated to reflect these changes, and also to include a provision extending the current license of pawnbrokers not associated with a natural person until March 1, 2020.

RECOMMENDATION: The City Administration recommends adoption.

BACKGROUND: As noted in the attachment, the Code of Virginia currently has a set definition for pawnbrokers. House Bill 1773 of the 2019 Session of the General Assembly amends Virginia Code to change the definition of "pawnbroker" to only include natural persons. Under current law, a person, defined to include corporations, partnerships, associations, cooperatives, limited liability companies, trusts, joint ventures, governments, political subdivisions, or any other legal or commercial entities and any successor, representative, agent, agency, or instrumentality thereof, may become a licensed pawnbroker. The bill provides that counties, cities, or towns may choose to extend the license of a pawnbroker who is not a natural person for a period of up to one year.

City Code Section 26-983 needs to be updated to reflect these changes.

FISCAL IMPACT / COST: N/A

FISCAL IMPLICATIONS: N/A

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: July 1, 2019

REQUESTED INTRODUCTION DATE: June 10, 2019

CITY COUNCIL PUBLIC HEARING DATE: June 24, 2019

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Richmond City Code section 26-983

REQUIRED CHANGES TO WORK PROGRAM(S): Finance staff will monitor the listed names on licenses issued to pawnbrokers, there are currently 10 of them in the City

ATTACHMENTS: Text of proposed City Code amendments

STAFF: John Wack, Director of Finance 646-5776