

AN ORDINANCE, PERTAINING TO REGULATING THE BUSINESS OF PAWNBROKERS

WHEREAS, the business of pawnbrokers is presently subject to statutory regulations as adopted by the Commonwealth of Kentucky which are codified in KRS 226.010 through KRS 226.990; and

WHEREAS, the business of pawnbrokers, because of the facility that it furnishes for the commission of crime and for its concealment, poses a potential threat to the public interests and safety; and

WHEREAS, out of concern for the protection against the potential of the commission and concealment of crimes, the Marshall County Fiscal Court desires to supplement the existing regulations provided by state statute with additional regulations provided by ordinance.

NOW, THEREFORE, be it ordained by the Marshall County Fiscal Court as follows:

SECTION 1.

**Pawnbroker defined.**

Any person who loans money on deposit of personal property, or who deals in the purchase of personal property on condition of selling the property back again at a stipulated price, or who makes a public display at his place of business of the sign generally used by pawnbrokers to denote their business, or who publicly exhibits a sign advertising money to loan on personal property or deposit is a pawnbroker. A pawnbroker shall be required to obtain a license from the Marshall County Fiscal Court and enter into a bond before considered business as a pawnbroker.

SECTION 2.

**Bond of pawnbroker.**

Every person to whom a county license is granted shall annually enter into a bond to the county, with good and sufficient surety, to be approved by the Marshall County Fiscal Court, in the penal sum of one thousand (\$1,000). The bond shall be conditioned that the person will observe the provisions of KRS 226.030 to 226.050, and Sections 1 through 9 of this ordinance.

SECTION 3.

**Database Register-entries to be made.**

- (a) Every pawnbroker shall maintain an account with Leads Online or a similar database as directed by the Marshall County Sheriff Department (hereinafter "database") and enter a record of all loans and purchases of all property effected or made by him.

- (b) As to each loan, the pawnbroker shall legibly enter into the database the following information:
  - (1) The date of each loan;
  - (2) The name, address, date of birth, race, sex and operator's license or state photo identification number of each borrower;
  - (3) If the person providing the property to be pawned is not the borrower, the name, address, date of birth, race, sex and operator's license or state photo identification number of such person;
  - (4) A detailed description of the property to be pawned, including and make and model and serial number;
- (c) As to the purchase of any property by the pawnbroker, the pawnbroker shall enter into the database the following information.
  - (1) The date of purchase;
  - (2) The same, address, date of birth, race, sex and operator's license or state photo identification number of the seller;
  - (3) A detailed description of the property purchased, including any make or model and serial number; and

#### **SECTION 4.**

##### **Daily Entries**

- (a) Every pawnbroker 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 3(b) and (c) above and must be legible
- (b) The database submission shall include electronic photographs of all persons who have sold items to the pawnbroker 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 photograph.
- (c) The database submissions shall also include photographs of items purchased by the pawnbroker 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.

#### **SECTION 5.**

##### **Pawnbroker to give ticket and receipt for articles.**

Every pawnbroker shall give a legible written or printed ticket for the loan to the person negotiating or selling, and a legible written or printed receipt of the articles that have been purchased, or upon which money is loaned, having on each a copy of the entries required to be kept in his register under Section 3 (b), (c) and (d). He shall not make any charge for the ticket or receipt.

## SECTION 6.

### **Sale-notice before sale**

A pawnbroker may sell any article pawned after the expiration of ninety (90) days from the maturity of the loan, provided that, not less than ten (10) days before making the sale, the pawnbroker shall have given notice to the person by whom the article was pawned, by mail addressed to the post office address of such person as shown on the pawnbroker's register, notifying such person that, unless he redeems the article within ten (10) days from the date of mailing said notice, the article will be sold.

## SECTION 7.

### **Receipts for payments.**

Every pawnbroker, upon receiving any payment of money from a borrower, shall give to such person a plain and complete receipt for such payment, specifying separately the amount applied to the principal and the amount applied to interest. In a case where the pawnbroker has purchased personal property under an agreement to sell it back at a stipulated price, the pawnbroker shall, on receiving any payment of money from the person from whom the property was purchased, give such person a receipt stating the original purchase price, the stipulated resale price, and the amount received.

## SECTION 8.

### **Pawnbroker not to receive article from minor or during night.**

No pawnbroker shall receive, by way of pledge or pawn, any article whatsoever from a minor at any time, nor from any person between 8 p.m. and 7 a.m.

## SECTION 9.

### **Penalties.**

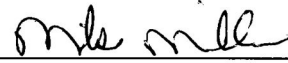
- (a) Any pawnbroker who violates any of the provisions of Section 4 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100).
- (b) Any pawnbroker who violates any other provisions shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), and their license shall be subject to forfeiture.

## SECTION 10.

This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

The first reading of this Ordinance was held September 19, 2011.

The second reading was held and the Ordinance adopted October 18, 2011.



Mike Miller  
County Judge/Executive



Attest:  
Melonie Chambers  
Fiscal Court Clerk