

## *Memorandum #08-127*

*To: City Commission*  
*From: Finance Officer*  
*Date: June 18, 2008*  
*Subject: Pawn Brokers License*

We have received the following application for a Pawn Brokers License:

Rivercity Tools and Pawn                      800 East 4th Street

City Code also requires each applicant to pay a fee of \$50.00 per year. The fees have been received.

This applicant last applied for a license in December of 2006 for the calendar year 2007. At the January 22nd, 2007 City Commission Meeting, a public hearing was held and the applicant and his attorney were in attendance. A lot of discussion ensued involving the applicant's failure to follow City and South Dakota Codified Laws in regard to his record keeping. Chief Heeney also commented about the lack of cooperation that the police department received when dealing with this individual involving stolen items that were pawned at his shop. The application was tabled for 30 days. Subsequent to the 30 day period, the applicant was charged with a federal firearm charge. The City Commission took no further action to take the application off the table.

The applicant is now applying for a new Pawn Brokers License for the remainder of calendar year 2008. Chief Heeney has recommended denying the license based on past problems encountered by the police department when dealing with this applicant and his business. I have attached copies of South Dakota Codified Laws and also Yankton Ordinances that specifically apply to pawn shops and the licensing thereof. I have also ***bolded, underlined and italicized*** the parts of the ordinances that specifically pertain to the concerns of the Chief.

It is recommended that the City Commission discuss this application and direct staff on whether or not to issue this license.

Al Viereck  
Finance Officer

# **SOUTH DAKOTA AND CITY OF YANKTON PAWNBROKERS LAWS**

Page 1

## **SOUTH DAKOTA AND CITY OF YANKTON PAWN BROKER LAWS**

### **South Dakota Codified Laws**

**SDCL 9-34-8.** Hawkers, peddlers, pawnbrokers, scalpers, employment agencies-- Provisions not applicable to peddling or soliciting telecommunications services. *Every municipality may license, tax, regulate, or prohibit* hawkers, peddlers, solicitors, *pawnbrokers*, ticket scalpers, and employment agencies. However, the provisions of § 9-34-18 and this section do not apply to the peddling or soliciting of telecommunications services subject to the provisions of chapter 49-13 or 49-31.

**Source:** SL 1890, ch 37, art V, § 1, subdiv 30; RPolC 1903, § 1229, subdiv 30; SL 1913, ch 119, § 53, subdiv 30; RC 1919, § 6169 (55); SL 1925, ch 245; SDC 1939, § 45.0201 (73); SL 1992, ch 65.

**SDCL 37-16-3.** Conduct of business without municipal license as misdemeanor. *Any person who carries on the business of a pawnbroker, except by authority of a license from a municipal corporation granted pursuant to § 9-34-8 or from a county commission granted pursuant to § 7-18- 29, is guilty of a Class 1 misdemeanor.*

**Source:** SDC 1939, § 13.1827; SL 1977, ch 190, § 272; SL 1994, ch 64, § 1.

**SDCL 37-16-4.** Refusal to disclose purchaser and price of article sold as misdemeanor. *Every pawnbroker who refuses to disclose the name of the purchaser and the price received by him for any article received by him in pledge and subsequently sold, is guilty of a Class 1 misdemeanor.*

**Source:** SDC 1939, § 13.1829; SL 1977, ch 190, § 273.

**SDCL 37-16-5.** Refusal to exhibit stolen goods as misdemeanor. *Every pawnbroker and every junk dealer who, having received any goods which have been stolen, refuses to exhibit them upon demand during usual business hours to the owner of said goods or his agents authorized to demand an inspection thereof, is guilty of a Class 1 misdemeanor.*

**Source:** SDC 1939, § 13.1828; SL 1977, ch 190, § 274.

### **City of Yankton Code of Ordinances**

#### **DIVISION 6. PAWNBROKERS**

##### **Sec. 13-119. License and fee.**

*No person shall engage in the business of a pawnbroker without having first obtained a license therefore, upon application and approval of the city commission.* The

licensing fee shall be fifty dollars (\$50.00) per annum.

(Ord. No. 770, § 1, 4-13-98)

# SOUTH DAKOTA AND CITY OF YANKTON PAWNBROKERS LAWS

Page 2

## Sec. 13-120. Definition.

Any person who loans money on deposit or pledge of personal property, or other valuable thing, or deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price, or who loans money secured by pledge of personal property by taking possession of the property or any part thereof so pledged, or who deals in the buying and selling of personal property in conjunction with the foregoing, is hereby declared to be a pawnbroker.

(Ord. No. 770, § 1, 4-13-98)

## Sec. 13-121. Records required.

(a) All pawnbrokers within the city shall keep a record of all loans made and all articles received as security, and all articles purchased outright for resale. The pawnbroker will be required to view, ask, and confirm the following information: Full name, date of birth, present address, phone number, height, weight, sex, color of hair, color of eyes, and date and time articles are received.

This information must be verified by photo copy of official driver's license or state issued identification bearing the picture and signature of the person so identified. An individual must be eighteen (18) years of age to pawn property. The pawnbroker shall document the state from which the identification was issued and the type of the identification, the number from the identification card, and the expiration date thereof.

(b) The pawnbroker will be required to completely fill out the pawn form approved by the chief of police of the city, which will be in duplicate, and of which one (1) copy will be given to the police department. This copy must be legible and contain all the information needed to properly identify the item or items pawned or purchased outright for resale as required by the Yankton Police Department.

(c) A copy of the records required in subsection (b) of this section, on the prescribed or approved form, shall be delivered into the possession of the Yankton Police Department within seven (7) days from the date of purchase or receipt. A pawnbroker may exclude from the copy of the record delivered to the police department the amount paid for the article or loaned against the article.

(Ord. No. 770, § 1, 4-13-98)

## Sec. 13-122. Holding period required.

All articles of personal property purchased or received by a pawnbroker within the city through a regulated transaction shall be identifiable to the record of that transaction, and shall be held on the licensed premises of the pawnbroker or some other secure location within the city, and shall not be disposed of nor altered from the form in which it was received, for a period of seventy-two (72) hours, not counting Sundays or holidays, from the time a record of the transaction is received by the police department; except that the 72-hour holding period for purchased or received articles shall not apply to the return of any such articles to the original owner thereof by re-purchase or redemption from pawn; provided that the records of the transactions are maintained as otherwise provided by this division. If the record of such is sent to the police department through U.S. mail, it shall be presumed that receipt of same by the police department occurred twenty-four (24) hours from the time of mailing, for the purposes of computing

# **SOUTH DAKOTA AND CITY OF YANKTON PAWNBROKERS LAWS**

Page 3

said holding period. A member of the police department shall indicate on each such record the date and time of receipt thereof. **Any such article purchased or received by a pawnbroker may be altered or disposed of prior to the expiration of the holding period if first inspected by an authorized city police officer and the alteration or disposition is approved.**

(Ord. No. 770, § 1, 4-13-98)

## **Sec. 13-123. Inspection.**

**The records and business premises of all pawnbrokers with the City of Yankton shall be open for inspection by a representative of the Yankton Police Department at all reasonable times for the purpose of prevention of frauds, the promotion of the public health and safety, and to assure compliance with applicable regulations.**

(Ord. No. 770, § 1, 4-13-98)