



**Item:** Ordinance 3117- Amending Title 5, Chapter 3, Article 3 of City Code Pertaining to Pawnshops and Secondhand Stores

**From:** Great Falls Police Department

**Initiated By:** David Bowen, Chief of Police

**Presented By:** David Bowen, Chief of Police

**Action Requested:** City Commission accept Ordinance 3117 on first reading and set a public hearing for March 4, 2014.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (accept/deny) Ordinance 3117 on first reading and set a public hearing for March 4, 2014.”

2. Mayor calls for a second, discussion, public comment, and calls for the vote.

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**Staff Recommendation:** Accept Ord. 3117 on first reading and set a public hearing for March 4, 2014, to receive public input on the attached ordinance amendment.

**Background:** The Great Falls Police Department has long been working with area pawnbrokers and secondhand stores to combat the sale or transfer of stolen goods. In 2011, the Police Department began utilizing a secure online database where pawnshops can upload their transactions for view by the Department without any cost to their business. Several area pawnshops immediately began to participate and uploaded their transactions. As a result, thousands of dollars of stolen property was recovered while holding burglars and thieves accountable for their crimes through the use of this partnership. However, after the initial cooperative effort by the pawnshops, participation has dropped off and to date only 4 of the 11 area pawnshops are sporadically participating, and their data is either outdated or not entered. It is in the best interest of the community that there is an improvement in registering and tracking of items obtained by pawnshops, secondhand stores, and valuable article dealers to reduce the resale of illegally obtained items. This ordinance change will require pawnbrokers and secondhand stores to upload their transactions into the secure data base so the Police Department can view them.

**Significant Impacts:** Recommended changes to the existing ordinance will provide the Police Department the ability to weekly access updates on property being transferred or sold within the City. This ability to monitor weekly transactions will enable officers and detectives to recover any stolen goods and return them to their rightful owners while leading to the arrest of those responsible. The Police Department pays the annual fee for the program necessary to provide this service which means there is no need for a private business owner to purchase additional equipment or software. Failure to comply with the new ordinance will result in a fine to the business owner and any fines collected will be used to help offset the Department's cost of the program. To date the annual cost of the program (\$3,688) has been paid for through drug forfeiture funds because much of the stolen merchandise has a nexus to drugs.

**Attachments:** Ordinance 3117  
Exhibit A- Amendments to Title 5, Chapter 3, Article 3.

**ORDINANCE 3117**

**AN ORDINANCE AMENDING TITLE 5, CHAPTER 3,  
ARTICLE 3 OF THE OFFICIAL CODE OF THE CITY OF  
GREAT FALLS (OCCGF) PERTAINING TO PAWNSHOPS  
AND SECONDHAND STORES**

\* \* \* \* \*

**WHEREAS**, without proper tracking of pawned, second hand items or valuable articles, there is a substantial risk that illegally obtained items may be sold to innocent purchasers; and

**WHEREAS**, pawnshops, second hand stores and valuable article dealers are potential recipients of illegally obtained items in the course of their business; and

**WHEREAS**, the City of Great Falls endeavors to improve its registering and tracking of items obtained by pawnshops, second hand stores and valuable article dealers, to reduce the risk of the resale of illegally obtained items.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:**

Section 1. That Title 5, Chapter 3, Article 3 of the OCCGF be amended as depicted in Exhibit "A" attached hereto, which removes any language indicated by a strike-out and adds language which is bolded;

Section 2. This ordinance shall be in full force and effect thirty (30) days after second reading and final adoption by the City Commission.

APPROVED by the City Commission on first reading February 18, 2014.

ADOPTED by the City Commission of the City of Great Falls, Montana on second reading March 4, 2014.

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Michael J. Winters, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

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Sara R. Sexe, City Attorney

State of Montana     )  
County of Cascade   : ss  
City of Great Falls   )

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that I did post, as required by law and as prescribed and directed by the City Commission, Ordinance 3117 in three places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;  
On the Bulletin Board, first floor, Cascade County Court House;  
On the Bulletin Board, Great Falls Public Library

(Seal of the City)

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Lisa Kunz, City Clerk

## Exhibit "A"

### Article 3 – PAWNSHOPS, ~~AND~~ SECONDHAND STORES AND VALUABLE ARTICLE DEALERS

Sections:

[5.3.3.300 - Definitions.](#)

[5.3.3.310 - Register required.](#)

[5.3.3.320 – Duration Articles Must be Held.](#)

[5.3.3.330 – Violation – Penalty.](#)

5.3.3.300 - Definitions.

~~The following words and phrases w~~When used in this section, shall have the following meanings respectively ascribed to them **terms apply:**

**“Customer” means any person or entity who deposits, pledges, sells, trades, barter, consigns, or exchanges personal property, secondhand goods, wares, merchandise or other valuable things to an Operator as set forth in this section.**

**The term “Operator” includes the following:**

"Pawnbroker" means any person **or entity** who loans money on deposit or pledge of personal property or any valuable thing, or who deals in the purchasing of personal property or valuable things on condition of selling the same back at a stipulated price, whether he does the same for himself or as an agent of some person or firm or corporation, who by any means, method or device loans money for personal property when the same is deposited for security or is deposited for any other purpose.

(Ord. 3117, 2014; Ord. 2675, 1995; Prior code 5-11-1).

"Secondhand Dealer" ~~shall~~ **or “Valuable Article Dealer,”** means any person **or entity** who, within the City, as a business, engages in the purchase, sale, trade, barter, consignment, **recycling** or exchange of secondhand goods, wares or merchandise; or any person who keeps any store, shop, room or place where secondhand goods, wares or merchandise of any kind or description, are bought, sold, traded, bartered, consigned, **recycled** or exchanged is defined as a secondhand dealer **or valuable article dealer** within the meaning of this chapter; provided, however, that this chapter shall not apply to bona fide trade or turn-ins of secondhand goods, wares or merchandise or other goods where no cash is transferred or paid by the merchant.

(Ord. 3117, 2014; Ord. 2675, 1995; Prior code 5-112-1).

### **5.3.3.310 - Register required.**

~~Any person who carries on the business of pawnbroking or secondhand stores shall keep a register in which shall be entered in legible writing a description of all property purchased or taken as a pledge, pawn or security for any money loaned thereon, of any description whatever, together with the names and residences of the persons from whom such property was purchased or received; and such register shall be subject to examination by the Police Department at any and all times.~~

**Any Operator who engages in the activities set forth in 5.3.3.300 shall keep a legible written register or record of all property purchased or taken under that section, along with:**

- **A description of each article, including, but not limited to, identification number, serial number, model number, brand name or other identification marks on such article; and a description by weight and design of precious and semi-precious metals or stones.**
- **The Customer's name and date of birth.**
- **The Customer's current address.**
- **The Customer's identification from one of the following:**
  - A valid state identification card;**
  - A valid state driver's license;**
  - A military identification card;**
  - A valid passport;**
  - An alien registration card; or**
  - An official identification document lawfully issued by a state or federal government.**

**Records shall be retained for a period of 2 years from the initial transaction. Such register shall be subject to examination by the Police Department at any and all times.**

**On a periodic basis, no later than 5:00 PM on Friday of each week's transactions, every operator shall file, upload or record all registers or records of transactions, to an electronic data base as designated by the chief of police or agent of the police department. If the transactions have not been entered into electronic data base according to this section, the police department shall stop any further transactions by the Operator, until the Operator**

**is in compliance. The chief of police may for good cause shown grant an Operator a written extension to this deadline.**

**(Ord. 3117, 2014; Ord. 2675, 1995; Prior code 5-11-3).**

**5.3.3.320 - Duration Articles Must be Held.**

**For 14 days following the electronic filing of the register or record of a transaction into the police department's designated data base under this section, Operators shall not dispose of the property purchased or taken, alter the property from the form in which it was received, or transfer the property to another location.**

**5.3.3.330 –Violation – Penalty.**

**Each Operator who violates this chapter shall be fined \$50.00 for each item received by Operator, that the Customer illegally obtained, or did not have authority to deposit, pledge, sell, trade, barter, consign, or exchange, or otherwise provide to Operator. This fine will be waived if Operator has properly and timely reported the item or items into the police data base. All fines collected under this section will be directed to the police department for maintenance of the designated data base.**

**(Ord. 3117, 2014)**