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MEMORANDUM **Police Department – Memo 2015-143**

DATE: OCTOBER 22, 2015

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER *MR*

FROM: SEAN E. DUGGAN, CHIEF OF POLICE *SD*

SUBJECT: INTRODUCTION AND TENTATIVE ADOPTION OF ORDINANCE NO. 4667, AMENDING CHANDLER CITY CODE, PART III – PUBLIC SAFETY, CHAPTER 15 – AUCTIONEERS AND PAWNBROKERS, SECTIONS 15-1, 15-2, 15-3, 15-4, AND 15-6

RECOMMENDATION: Staff recommends introduction and tentative adoption of Ordinance No. 4667 amending Chandler City Code, Part III – Public Safety, Chapter 15 – Auctioneers and Pawnbrokers, Sections 15-1, 15-2, 15-3, 15-4 and 15-6.

BACKGROUND: As of April of 2014, Firebird, the old pawn data entry system used by the Chandler Police Department, no longer functioned with the City of Chandler upgraded computer system. As a result, the Chandler Police Department’s pawn specialist began manually entering tickets directly into the Maricopa County Jail Management System. Data entry of pawn slips by hand is insufficient. The timely entry of these tickets is of the utmost importance for several reasons. The pawn data is a critical component to locating and recovering stolen property as well as identifying those involved in trafficking of stolen property. Having quicker access to this information is essential to the investigative process and simplifies the recovery of a victim’s property.

The Chandler Police Department recently purchased a new pawn data system, Leads Online, after demonstrating its capabilities to Councilmembers at a Public Safety Subcommittee meeting on January 29, 2015. It is currently utilized by several cities, including Mesa, Scottsdale, Tempe, Gilbert, and several west valley agencies. The system allows the pawn shops and secondhand dealers to electronically send their transactions to Leads Online. The information is then transferred to the county system, which eliminates the need for manual data entry at the department level.

The main revision to Chapter 15 of the City Code requires businesses covered by the ordinance to transmit transactions electronically by the method approved by the Chandler Police Department. All pawn shop and secondhand dealers in the City of Chandler were contacted and notified of the electronic transaction requirement. Training will be provided to dealers by the Chandler Police Department and Leads Online to assist with the transition. Additional changes to this chapter include updating exempt transactions; making a uniform holding period for pawn shops and second hand dealers; and, for businesses holding items outside the City of Chandler, authorizing other designated law enforcement agencies having jurisdiction over the business premises to inspect the premises.

FINANCIAL IMPLICATIONS: None

PROPOSED MOTION: Move to introduce and tentatively adopt Ordinance No. 4667 amending Chandler City Code, Part III – Public Safety, Chapter 15 – Auctioneers and Pawnbrokers, Sections 15-1, 15-2, 15-3, 15-4 and 15-6.

Attachment: Ordinance No. 4667 (Red-Line Version)
Ordinance No. 4667 (Clean Version)

ORDINANCE NO. 4667

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, PART III – PUBLIC SAFETY, CHAPTER 15 – AUCTIONEERS AND PAWNBROKERS, SECTIONS 15-1, 15-2, 15-3, 15-4 AND 15-6 OF THE CODE OF THE CITY OF CHANDLER

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHANDLER as follows:

Chapter 15, Chandler City Code, is amended to read:

Chapter 15-1

15-1. - Definitions.

In addition to the definitions prescribed in A.R.S. 44-1601, -1621, and -1641, ~~For the purposes of this chapter, the following~~ the words and phrases of this chapter shall have the following meanings: ~~respectively ascribed to them by this section:~~

Pledgor. "Pledgor" is the person leaving pledged property with the pawnbroker.

Police department, means the Chandler Police Department.

15-2. - Report of transactions required; presumption; structuring, fees.

A. Every person engaged in the business of auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer shall make out, at the time of the transaction, and deliver to the Police Department, a true, complete and legible report of all goods and articles received on deposit, in pledge, pawn, consignment, trade, exchange, or by purchase, except as otherwise authorized by this chapter. ~~The report shall be made out on forms furnished or otherwise authorized by the Police Department and shall be delivered to the Police Department or postmarked within twenty-four (24) hours after receipt of the property being reported.~~ All reports made pursuant to this subsection, shall be transmitted electronically in a manner and format approved and designated by the police department within twenty-four (24) hours after receipt of the property being reported. The provisions of this subsection shall be effective upon the implementation of an electronic reporting system approved by the police department. Each report shall contain all of the following information for each item received. All information shall be legible and either hand printed or typewritten, or electronically generated except for signatures. The reporting party shall complete all the entries on the report form, except the signature of the person from whom the property is received, and shall enter "None" or "N/A" (not applicable) as appropriate:

1. A complete description of the property, including brand name, color and serial number, if any, and the quantity of identical items, if applicable.
2. The date and time the property was received.
3. The name, address, birth date and signature of the individual from whom the property was received. The reporting party shall require the person from whom he/she is purchasing or otherwise receiving the property to be identified by displaying a valid motor vehicle operators license, a valid State non-operating identification license, a valid armed forces identification card, a valid passport with photograph or any other valid government-issued identification containing a photograph. The type of identification so used and any and all identifying numbers thereon shall be recorded by the reporting party on the report.
4. The name of the business receiving the property and the signature or other identifying mark of the person receiving the property on behalf of the business.
5. The physical description of the person from whom the property was received, including the following: height, sex, weight, race (if known), color of hair, and color of eyes.
6. The right index fingerprint of the pledgor or seller shall be placed on the hard copy of the transaction report. If the fingerprint is electronically generated it must meet NIST standards - (500

ppi). In the absence of the right index finger, the left index finger should be used with a notation on the report indicating that the left index finger was used.

6. 7. The amount paid, loaned, or pledged for each item, group of identical items, or set of items.

7. 8. A maximum of three (3) items shall may be entered on each report form to include electronic forms.

8. 9. A fee of three dollars (\$3.00) shall be paid for each report form in a manner, place and time set by the Police Department.

15-3. - Reporting exemptions.

Notwithstanding any of the provisions of this chapter, the following transactions and or articles are exempt from the reporting requirements of this chapter:

A. Transactions involving books and other printed materials, clothing (excluding animal furs or fur pieces), phonographic records, audio cassette tapes, compact discs (CDs), digital video discs (DVDs) video/computer game discs, and furniture.

B. Transactions solely between merchants holding permits under this chapter or between merchants who would be required by this chapter to secure permits if their establishment were located in the City, or between a merchant holding a permit under this chapter and a nonprofit organization.

C. Transactions involving articles purchased by a pawnbroker, antique dealer, auction house, auctioneer, junk dealer or secondhand dealer for less than fifty dollars (\$50.00), except for the following:

1. Serial-numbered items.
2. Firearms.
3. Telephones and cellular phones.
4. Typewriters.
5. Calculators.
6. Facsimile machines.
7. Copy machines.
8. Computer equipment, including both hardware and software.
9. Photographic equipment.
10. Bicycles.
11. Power tools.
12. Appliances.
13. Televisions.
14. Radio and stereo equipment.
15. Video cassette recorders.
16. Jewelry containing a precious item.
17. Timepieces.
18. Electronics equipment.
19. Motor-driven lawn and garden equipment.
20. Sporting goods items.
21. Precious items.

(Ord. No. 2308, 7-24-92; Ord. No. 2494, 8-25-94; Ord. No. 3038, § 2, 10-28-99; Ord. No. 4196, § 3, 12-7-09)

15-4. - Holding period.

~~A. Except for the redemption of pawned articles or the return of consigned articles, no article required to be reported to the Police Department under the provisions of this chapter shall be sold, exchanged, transferred, or otherwise disposed of by any pawnbroker or secondhand dealer until it has been in the custody thereof for the following period:~~

A. No article shall be sold, exchanged, transferred, or otherwise disposed of by any pawnbroker until it shall have been in custody thereof for twenty (20) calendar days after making out and delivering to the Police Department the report required under section 15-2. Any article held in custody shall not be altered or

transformed in any way but shall be held in the same condition in which it was delivered to the reporting party. This subsection shall not apply to redemption of pawned or pledged articles.

B. A secondhand dealer shall retain any property obtained in a reportable transaction at its place of business or other storage location approved by the Chief of Police or his/her designee for a period of twenty (20) calendar days after making out and delivering to the police department the report required under section 15-2. Any article held in custody pursuant hereto shall not be altered or transformed in any way but shall be held in the same condition in which it was delivered to the reporting party.

~~1. Ten (10) days after the date of delivery to the Police Department of the report required under the provisions of this chapter; or~~

~~2. Thirteen (13) days after the date of postmark of any report mailed to the Police Department under the provisions of this chapter.~~

B.C. In the case of property consigned to an auction house, no article shall be sold, exchanged, transferred, or otherwise disposed of until it has been in the custody thereof for the following periods:

1. Five (5) days after the date of delivery to the Police Department of the report required under the provisions of this chapter; or

2. Seven (7) days after the date of postmark of any report mailed to the Police Department under the provisions of this chapter.

(Ord. No. 2308, 7-24-92; Ord. No. 3038, § 2, 10-28-99)

15-6. - Inspection of premises, goods and records.

The business premises, including stock of goods and articles and all ledgers, books, records or memoranda required to be kept by this chapter or State Statute by any auctioneer, auction house, junk dealer, pawnbroker, or secondhand dealer, shall be open for immediate inspection during regular business hours to representatives of the Police Department or other designated law enforcement agency having jurisdiction over the business premises.

(Ord. No. 2308, 7-24-92; Ord. No. 3038, § 2, 10-28-99)

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this _____ day of _____, 2015.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this _____ day of _____, 2015.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4667 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2015, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



PUBLISHED:

ORDINANCE NO. 4667

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, PART III – PUBLIC SAFETY, CHAPTER 15 – AUCTIONEERS AND PAWNBROKERS, SECTIONS 15-1, 15-2, 15-3, 15-4 AND 15-6 OF THE CODE OF THE CITY OF CHANDLER

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Police department, means the Chandler Police Department.

15.2 - Report of transactions required; presumption; structuring, fees.

A. Every person engaged in the business of auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer shall make out, at the time of the transaction, and deliver to the Police Department, a true, complete and legible report of all goods and articles received on deposit, in pledge, pawn, consignment, trade, exchange, or by purchase, except as otherwise authorized by this chapter. All reports made pursuant to this subsection shall be transmitted electronically in a manner and format approved and designated by the police department within twenty-four (24) hours after receipt of the property being reported. The provisions of this subsection shall be effective upon the implementation of an electronic reporting system approved by the police department. Each report shall contain all of the following information for each item received. All information shall be legible and either hand printed or typewritten, or electronically generated. The reporting party shall complete all the entries on the report form, except the signature of the person from whom the property is received, and shall enter "None" or "N/A" (not applicable) as appropriate:

1. A complete description of the property, including brand name, color and serial number, if any, and the quantity of identical items, if applicable.
2. The date and time the property was received.
3. The name, address, birth date and signature of the individual from whom the property was received. The reporting party shall require the person from whom he/she is purchasing or otherwise receiving the property to be identified by displaying a valid motor vehicle operator's license, a valid State non-operating identification license, a valid armed forces identification card, a valid passport with photograph or any other valid government-issued identification containing a photograph. The type of identification so used and any and all identifying numbers thereon shall be recorded by the reporting party on the report.
4. The name of the business receiving the property and the signature or other identifying mark of the person receiving the property on behalf of the business.
5. The physical description of the person from whom the property was received, including the following: height, sex, weight, race (if known), color of hair, and color of eyes.
6. The right index fingerprint of the pledgor or seller shall be placed on the hard copy of the transaction report. If the fingerprint is electronically generated it must meet NIST standards - (500 ppi). In the absence of the right index finger, the left index finger should be used with a notation on the report indicating that the left index finger was used.
7. The amount paid, loaned, or pledged for each item, group of identical items, or set of items.
8. A maximum of three (3) items may be entered on each report form to include electronic forms.

9. A fee of three dollars (\$3.00) shall be paid for each report form in a manner, place and time set by the Police Department.

15-3. – Reporting exemptions

Notwithstanding any of the provisions of this chapter, the following transactions and or articles are exempt from the reporting requirements of this chapter:

A. Transactions involving books and other printed materials, clothing (excluding animal furs or fur pieces), phonographic records, audio cassette tapes, compact discs (CDs), digital video discs (DVDs) video/computer game discs, and furniture.

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(Ord. No. 2308, 7-24-92; Ord. No. 2494, 8-25-94; Ord. No. 3038, § 2, 10-28-99; Ord. No. 4196, § 3, 12-7-09)

15-4. – Holding Period

A. No article shall be sold, exchanged, transferred, or otherwise disposed of by any pawnbroker until it shall have been in custody thereof for twenty (20) calendar days after making out and delivering to the Police Department the report required under section 15-2. Any article held in custody shall not be altered or transformed in any way but shall be held in the same condition in which it was delivered to the reporting party. This subsection shall not apply to redemption of pawned or pledged articles.

B. A secondhand dealer shall retain any property obtained in a reportable transaction at its place of business or other storage location approved by the Chief of Police or his/her designee for a period of twenty (20) calendar days after making out and delivering to the police department the report required

under section 15-2. Any article held in custody pursuant hereto shall not be altered or transformed in any way but shall be held in the same condition in which it was delivered to the reporting party.

C. In the case of property consigned to an auction house, no article shall be sold, exchanged, transferred, or otherwise disposed of until it has been in the custody thereof for the following periods:

1. Five (5) days after the date of delivery to the Police Department of the report required under the provisions of this chapter; or
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15-6. – Inspection of premises, goods, and records

The business premises, including stock of goods and articles and all ledgers, books, records or memoranda required to be kept by this chapter or State Statute by any auctioneer, auction house, junk dealer, pawnbroker, or secondhand dealer, shall be open for immediate inspection during regular business hours to representatives of the Police Department or other designated law enforcement agency having jurisdiction over the business premises.

(Ord. No. 2308, 7-24-92; Ord. No. 3038, § 2, 10-28-99)

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ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this _____ day of _____, 2015.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4667 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2015, and that a quorum was present thereat.

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PUBLISHED: