

## **ORDINANCE NO. 4853**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, DECLARING THAT DOCUMENT ENTITLED "2018 AMENDMENTS TO CHAPTER 15" TO BE A PUBLIC RECORD; AMENDING THE CODE OF THE CITY OF CHANDLER, CHAPTER 15, AUCTIONEERS AND PAWNBROKERS BY RENAMING THE CHAPTER AND ADDING REGULATIONS FOR AUTOMATED ELECTRONIC DEVICE KIOSKS; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR PENALTIES.

WHEREAS, businesses in Chandler desire to operate automated electronic device kiosks to purchase used consumer electronic devices through an automated electronic device kiosk;

WHEREAS, Chandler has regulations for secondhand dealers, pawnshops, and auctioneers to protect its residents from losing and purchasing stolen property; and

WHEREAS, it is in the best interest of the City and its residents to regulate automated electronic device kiosks in a similar manner;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. That certain document known as the "2018 Amendments to Chapter 15," one paper copy and one electronic copy of which shall remain on file in the office of the City Clerk, is hereby declared to be a public record.

Section 2. That the Chandler City Code, Chapter 15, Auctioneers and Pawnbrokers, is hereby renamed to Chapter 15, Auctioneers, Pawnbrokers and Other Secondhand Dealers and is hereby amended by adoption of the revisions set forth in "2018 Amendments to Chapter 15," said document having been declared to be a public record.

Section 3. Providing for Repeal of Conflicting Ordinances.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance, or any parts hereof, are hereby repealed.

Section 4. Providing for Severability.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5. Providing for Penalties.

15-21. - Penalty.

A violation of this chapter is a class one misdemeanor and upon conviction shall be punishable as provided for in section 1-8 of this Code.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this 13<sup>th</sup> day of December 2018.

ATTEST:

  
CITY CLERK

  
MAYOR

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this 10<sup>th</sup> day of January, 2019.


ATTEST:

  
CITY CLERK

  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 4853 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 10<sup>th</sup> day of January 2019, and that a quorum was present thereat.

  
CITY CLERK

APPROVED AS TO FORM:

  
CITY ATTORNEY

PUBLISHED in the Arizona Republic on January 18, and January 25, 2019.



2018 Amendments to Chapter 15  
{Public Record for Ordinance No. }

The Chandler City Code, Chapter 15, Auctioneers and Pawnbrokers is hereby renamed Chapter 15, Auctioneers, Pawnbrokers and Other Secondhand Dealers and is hereby amended as follows (additions shown in ALL CAPS, deletions shown in ~~strikethrough~~):

Chapter 15 – Auctioneers, ~~and~~ Pawnbrokers AND OTHER SECONDHAND DEALERS

15-1. - Definitions.

For the purposes of this chapter, the following words and phrases shall have meanings respectively ascribed to them by this section:

*Antiques.* "Antiques" is defined as goods and articles which have a greater collectible, historical or nostalgic value rather than utilitarian value.

*Antique dealer.* "Antique dealer" is any person operating a place of business that buys, sells, or otherwise deals in antiques.

*APPLICANT.* "APPLICANT" IS THE PERSON WHO APPLIES FOR A PERMIT PURSUANT TO THIS CHAPTER.

*Auction house.* "Auction house" is a place of business where property is received from other persons or businesses, when such property is to be resold either publicly or privately for cash, other property or other consideration to a third party by auction immediately to the highest bidder.

*Auctioneer.* "Auctioneer" is any person operating an auction house who, as a principal or agent, receives property on consignment from persons or businesses when such property is to be resold for cash, other property or other consideration to a third party immediately upon acceptance of the highest bid at a public or private auction.

*AUTOMATED ELECTRONIC DEVICE KIOSK.* "AUTOMATED ELECTRONIC DEVICE KIOSK" MEANS AN INTERACTIVE DEVICE THAT IS INSTALLED WITHIN A RETAIL SPACE AT WHICH USED CONSUMER ELECTRONIC DEVICES ARE SOLD, TRADED, RECYCLED, OR OTHERWISE RECEIVED BY A PERSON.

*Consign or consignment.* "Consign" or "consignment" means the act of transferring goods, but not title thereto, into the care, custody or control of an agent for the purpose of sale to a third party.

*CONSUMER ELECTRONIC DEVICE.* "CONSUMER ELECTRONIC DEVICE" MEANS ANY PORTABLE ELECTRONIC OR DIGITAL DEVICE DESIGNED TO BE PURCHASED AND USED BY END USERS OR CONSUMERS FOR DAILY, NON-COMMERCIAL PURPOSES; EXAMPLES OF CONSUMER ELECTRONIC DEVICES INCLUDE, BUT ARE NOT LIMITED TO, CELLULAR TELEPHONES, TOUCH SCREEN TABLETS, LAPTOP COMPUTERS, SMART WATCHES, AND DIGITAL MEDIA PLAYERS.

*DESIGNATED AGENT.* "DESIGNATED AGENT" IS THE PERSON DESIGNATED BY THE APPLICANT OR PERMIT HOLDER TO RECEIVE NOTICES FROM THE CITY PURSUANT TO THIS CHAPTER.

*DIRECTOR.* "DIRECTOR" IS THE CITY MANAGEMENT SERVICES DIRECTOR OR DESIGNEE.

*ESN.* "ESN" MEANS A UNIQUE NUMBER ASSIGNED BY THE MANUFACTURER TO IDENTIFY A MOBILE PHONE OR DEVICE, COMMONLY REFERRED TO AS AN ELECTRONIC SERIAL NUMBER.

*Garage/yard sale.* "Garage sale/yard sale" means the sale to the general public of a collection of secondhand household items displayed at a private residence by or in association with the owner or occupant of thereof.

*IMEI.* "IMEI" MEANS A UNIQUE NUMBER USED BY WIRELESS CARRIERS AND CELL PHONE MANUFACTURERS TO IDENTIFY MOBILE PHONES AND DEVICES, COMMONLY REFERRED TO AS AN INTERNATIONAL MOBILE EQUIPMENT IDENTITY.

*Junk dealer.* "Junk dealer" means any person engaged in the business of purchasing or obtaining materials from persons other than the original manufacturer or authorized distributor, when the materials are purchased or obtained for sale, credit, trade or exchange and the material obtained or purchased is to be put to a use inconsistent with its original purpose. "Materials," as used here, includes, but is not limited to, vehicle parts or accessories, machinery, iron, copper, brass, lead, zinc, tin, steel, aluminum or other metals, metal alloys, metallic cables, wire, batteries, rope, rubber and other like materials. "Put to a use inconsistent with its original purpose," means to dismantle, scrap, melt down, press, transform, or otherwise disfigure a material for resale in the altered form, or for use by the purchaser in the altered form. The provisions of this chapter shall not apply to any persons engaged solely in recycling metal cans, paper, cardboard, glass or plastics.

*MEID.* "MEID" MEANS A UNIQUE IDENTIFIER USED BY WIRELESS CARRIERS AND CELL PHONE MANUFACTURERS TO IDENTIFY A MOBILE PHONE, COMMONLY REFERRED TO AS A MOBILE EQUIPMENT IDENTIFIER.

*Nonprofit organization.* "Nonprofit organization" is any organization which does not have as its purpose the aim of making profit, and incorporated as a nonprofit organization under the Laws of Arizona or any other State.

*Pawn transaction.* "Pawn transaction" is either the act between the pawnbroker and a person pledging tangible personal property or extending credit on the security of pledged goods or the act of purchasing tangible personal property with an express or implied agreement or understanding that it may be redeemed or repurchased by the seller for a fixed or variable price within a fixed or variable period of time. A good-faith outright purchase of tangible personal property is not a pawn transaction.

*Pawnbroker.* "Pawnbroker" is any person who is engaged in the business of advancing money on the security of pledged goods or is engaged in the business of purchasing tangible personal property on the condition that it may be redeemed or repurchased by the seller for a fixed or variable price within a fixed or variable period of time, whether such business is the principal or sole business engaged in, managed or conducted, or whether it is merely incidental to it, or conducted in conjunction with a branch or department of some other business or businesses. A person shall be deemed a pawnbroker whether the transaction takes the form of a loan by the pawnbroker secured by the pledged property, or a sale of the property to the pawnbroker with the right of repurchase or redemption by the person selling the property to the pawnbroker within a stated period of time.

*Pawnshop.* "Pawnshop" is the location or premises at which a pawnbroker is permitted to regularly conduct his/her business.

*Permit holder.* "Permit holder" is any person or business to whom a permit has been issued and includes general or limited partners, if the permit is issued to a partnership. If the permit is issued to a corporation, "permit holder" includes all officers and shareholders owning twenty (20) percent or more of the corporate stock.

*Person.* "Person" is any individual, proprietor, employee, agent, company, organization, association, joint venture, partnership, business trust, ~~or~~ corporation, OR ANY OTHER ENTITY OF WHATEVER KIND OR NATURE.

*Pledged property.* "Pledged property" is tangible personal property which is deposited with or otherwise actually delivered into the possession of a pawnbroker in the course of his/her business in connection with a pawn transaction.

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

*Precious item.* "Precious item" means any gold, silver, platinum or jewelry, flatware or hollowware containing gold, silver or platinum, or any precious or semiprecious stones whether mounted or unmounted, or any pearls.

*Redeem or redemption.* "Redeem" or "redemption" is the act of the pledgor or his/her agent of retrieving and paying in full all charges and fees for the pledged goods left with the pawnshop.

*Reporting party.* "Reporting party" is any person required by this chapter to report transactions.

*Secondhand.* "Secondhand" means any item that has previously been owned by someone other than the original manufacturer or authorized dealer who sells the item to the public as new.

*Secondhand dealer.* "Secondhand dealer" is any person engaged in conducting, managing, or carrying on an ongoing business of buying, selling, trading, exchanging, consigning or otherwise dealing in secondhand goods and antiques, whether or not these transactions are the principal or sole business conducted or is a part thereof or incidental

to it. "Secondhand dealer" shall include antique dealers. "Secondhand dealer" shall not include:

- A. Dealers or auctioneers of property if the title to the property is required by the laws of the State to be evidenced by a written instrument that is recorded in a department or office of the State or County Government.
- B. Persons selling, trading, or exchanging items entrusted to the person by the owner of the item for the purpose of repair but which are later abandoned by the owner.
- C. Persons conducting no more than three (3) garage and/or yard sales per year, with each such sale not lasting more than three (3) consecutive days.
- D. Individuals conducting isolated or casual transactions of the kinds otherwise regulated by this chapter when they are not part of any ongoing business, commercial or for-profit operation.
- E. Persons conducting activities of the type otherwise regulated by this chapter when such activities are conducted by or the purchase amounts are paid solely to a nonprofit organization, duly incorporated under the laws of Arizona or any other State.
- F. Persons engaged solely in recycling metal cans, paper, cardboard, glass or plastic.
- G. Investment or securities brokerage houses or financial institutions as defined by A.R.S. § 44-1601, Paragraph 1, Subsections A., B., and C.
- H. Persons conducting activities of a type otherwise regulated by this chapter where purchase amounts are paid solely to nonprofit organizations.
- I. Wireless service providers conducting transactions involving the trade-in of a used mobile device, when the trade-in value is applied as a credit on an established customer account or as a discount on the purchase of a new mobile device on an established customer account.
- J. AUTOMATED ELECTRONIC DEVICE KIOSKS.

*Wireless services provider.* "WIRELESS SERVICES PROVIDER" is a mobile network operator who provides wireless communication services through owning or controlling all the necessary elements for selling and delivering such services to end users including billing, customer care, and infrastructure.

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, EXCLUDING AUTOMATED ELECTRONIC DEVICE KIOSK, 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.
- B. Any auction house or secondhand furniture dealer may comply with the property description requirements of subsection (a) above by attaching a legible copy of the consignment agreement, purchase receipt, purchase invoice, or other similar document

containing a property description, to the report required under subsection (a) above, in lieu of preparing a separate property description and report on each individual item.

C. Only one (1) report need be prepared for nonserial-numbered items of an identical nature or consisting of a set if received during the same transaction. The report shall contain the total number of identical items received and the total purchase price or pledge amount for said items.

D. It is presumptive evidence of intent to violate this section if the items purchased are not listed or fail to agree with the description contained in the list.

E. It shall be unlawful to structure a transaction or series of transactions with the intent to avoid the reporting requirements of this section.

F. REPORTING REQUIREMENTS FOR AUTOMATED ELECTRONIC DEVICE KIOSK TRANSACTIONS:

1) AT THE TIME OF EACH TRANSACTION WHEREBY A CONSUMER ELECTRONIC DEVICE IS RECEIVED AT AN AUTOMATED ELECTRONIC DEVICE KIOSK, A PERMIT HOLDER SHALL PREPARE A TRUE, COMPLETE, LEGIBLE AND ACCURATE REPORT OF THE TRANSACTION INCLUDING A DESCRIPTION OF THE CONSUMER ELECTRONIC DEVICE RECEIVED. THE REPORT SHALL BE SUBMITTED TO THE CITY WITHIN TWENTY-FOUR (24) HOURS AFTER RECEIPT OF THE CONSUMER ELECTRONIC DEVICE.

2) THE REPORT SHALL BE IN A FORM DESIGNATED BY THE POLICE DEPARTMENT AND SHALL BE DEEMED RECEIVED WHEN THE REPORT IS SENT ELECTRONICALLY TO THE POLICE DEPARTMENT UTILIZING SOFTWARE APPROVED BY THE POLICE DEPARTMENT.

3) EACH REPORT SHALL, AT A MINIMUM, CONTAIN FOR EACH CONSUMER ELECTRONIC DEVICE RECEIVED THE FOLLOWING INFORMATION:

a) THE NAME, CURRENT ADDRESS AND DATE OF BIRTH OF THE SELLER AS SHOWN ON THE IDENTIFICATION REQUIREMENTS PURSUANT TO SECTION 15-4.A.2.

b) A LEGIBLE COLOR COPY OF THE PHOTO IDENTIFICATION USED TO VERIFY THE SELLER'S IDENTITY IN SECTION 15-4.A.2.

c) A DIGITAL COLOR PHOTOGRAPH OF THE CONSUMER ELECTRONIC DEVICE PURCHASED BY THE PERMIT HOLDER.

d) AN IDENTIFIABLE DIGITAL COLOR PHOTOGRAPH OF THE SELLER'S FULL FACIAL IMAGE.



- e) AN ELECTRONIC SIGNATURE AND RIGHT THUMB PRINT OF THE SELLER. IN THE ABSENCE OF THE RIGHT THUMB, THE PRINT OF THE LEFT THUMB SHOULD BE USED, WITH APPROPRIATE BOX CHECKED AS TO WHICH THUMB HAS BEEN PRINTED.
- f) AN ACCURATE AND LEGIBLE DESCRIPTION OF EACH CONSUMER ELECTRONIC DEVICE ITEM PURCHASED OR RECEIVED, INCLUDING, AS APPLICABLE, THE MANUFACTURER'S NAME, MODEL NUMBER AND SERIAL NUMBER.
- g) THE ESN, IMEI OR THE MEID OF THE CONSUMER ELECTRONIC DEVICE PURCHASED. IF THE ESN, IMEI OR MEID IS NOT AVAILABLE AT THE TIME OF PURCHASE OR RECEIPT, THE REPORT FILED PURSUANT TO THIS SUBSECTION MUST BE UPDATED WITH THE ESN, IMEI OR MEID AS SOON AS KNOWN BY THE PERMIT HOLDER, BUT NO LATER THAN FIFTEEN (15) CALENDAR DAYS AFTER THE TRANSACTION. THE HOLD REQUIREMENT OUTLINED IN SECTION 15-5.C SHALL NOT BEGIN UNTIL ALL REQUIRED CONTENTS OF THE REPORT ARE COMPLETE AND SUBMITTED TO THE POLICE DEPARTMENT.
- h) THE AMOUNT PAID FOR THE CONSUMER ELECTRONIC DEVICE.
- i) THE DATE AND TIME WHEN THE CONSUMER ELECTRONIC DEVICE WAS RECEIVED.
- j) THE LOCATION OF THE AUTOMATED ELECTRONIC DEVICE KIOSK WHERE THE CONSUMER ELECTRONIC DEVICE WAS SOLD OR COLLECTED.

15-3. - Reporting exemptions EXCLUDING AUTOMATED ELECTRONIC DEVICE KIOSKS.

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.

15-4. OPERATING REQUIREMENTS FOR AUTOMATED ELECTRONIC DEVICE KIOSKS.

A. AN AUTOMATED ELECTRONIC DEVICE KIOSK PERMIT HOLDER SHALL OPERATE AN AUTOMATED ELECTRONIC DEVICE KIOSK IN THE CITY IN ACCORDANCE WITH THE FOLLOWING CONDITIONS:

1. USE A LIVE REPRESENTATIVE TO REMOTELY MONITOR THE AUTOMATED ELECTRONIC DEVICE KIOSK DURING ALL HOURS OF OPERATION.

2. VERIFY A SELLER'S IDENTITY VIA A VALID MOTOR VEHICLE OPERATOR'S PERMIT, VALID MOTOR VEHICLE NON-OPERATING IDENTIFICATION PERMIT, VALID ARMED FORCES IDENTIFICATION CARD OR OTHER VALID GOVERNMENT ISSUED PHOTO IDENTIFICATION, INCLUDING THE SERIAL OR IDENTIFICATION NUMBER OF SUCH VALID DOCUMENT SUFFICIENT TO VERIFY THE INFORMATION REQUIRED TO BE REPORTED IN SECTION 15-2.F.

3. SECURE STORAGE OF CONSUMER ELECTRONIC DEVICES ACCEPTED BY THE AUTOMATED ELECTRONIC DEVICE KIOSK AND ADHERE TO THE STORAGE AND RETENTION REQUIREMENTS PURSUANT TO SECTION 15-5.C.

4. CAPTURE AND STORE IMAGES DURING EACH TRANSACTION OF I) AN IDENTIFIABLE DIGITAL COLOR PHOTOGRAPH OF THE SELLER'S FULL FACIAL IMAGE, II) THE IDENTIFICATION REQUIRED IN SECTION 15-2.F.3, AND III) THE CONSUMER ELECTRONIC DEVICE.

5. ELECTRONICALLY REPORT ALL TRANSACTIONS TO THE POLICE DEPARTMENT PURSUANT TO SECTION 15-2.F.

6. READ AND RECORD ESN, IMEI, OR MEID, SUBJECT TO SECTION 15-2.F.3.

7. ONLY BUY CONSUMER ELECTRONIC DEVICES.

15-54. - 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.A-E. 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.A-E. 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. A PERMIT HOLDER SHALL RETAIN CONSUMER ELECTRONIC DEVICES RECEIVED AT AN AUTOMATED ELECTRONIC DEVICE KIOSK AT A SECURE LOCATION DESIGNATED ON THE PERMIT FOR AT LEAST TWENTY (20) CALENDAR DAYS AFTER SUBMITTING THE COMPLETE REPORT TO THE POLICE DEPARTMENT REQUIRED UNDER SECTION 15-2.F. ANY CONSUMER

ELECTRONIC DEVICE HELD IN CUSTODY PURSUANT TO THIS SECTION SHALL NOT BE ALTERED OR TRANSFORMED IN ANY WAY BUT SHALL BE HELD IN THE SAME CONDITION IN WHICH IT WAS RECEIVED BY THE AUTOMATED ELECTRONIC DEVICE KIOSK.

ED. 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.

15-65. - Retention of records.

A. Every business regulated by this chapter shall maintain a record of every article sold for an amount of fifty dollars (\$50.00) or more, if such article was originally required to be reported under section 15-2.A-E of this chapter. The record shall contain the article's description as listed in section 15-2.A.1. of this chapter, the date of sale, and the name and address of the purchaser of such articles. This record shall be held by the business for at least twenty-four (24) months after the date of sale.

B. Every business regulated by this chapter shall maintain a record of all articles currently in inventory within the business, if such articles were required to be reported under section 15-2.A-E of this chapter. The record shall contain the article's description as listed in section 15-2.A-E of this chapter, the date of acquisition, and the address of the person or business from whom the article was received. This record shall be maintained by the business until such article is sold, exchanged, transferred or otherwise disposed of.

C. Every business regulated by this chapter shall maintain an accurate copy of all reports required under section 15-2 of this chapter for a period of twenty-four (24) months after the termination of each transaction.

15-76. - Inspection of premises, goods and records.

A. 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.

B. CONSUMER ELECTRONIC DEVICES RETAINED AT A DESIGNATED LOCATION(S) UNDER THIS SECTION ARE SUBJECT TO RETURN AND INSPECTION BY MEMBERS OF THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY DURING REGULAR BUSINESS HOURS OF THE

LOCATION OR, AT A MINIMUM, DURING THE HOURS OF 9:00 A.M. TO 5:00 P.M., MONDAY THROUGH FRIDAY.

C. WITHIN TWENTY-FOUR (24) HOURS OF A REQUEST BY THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY, THE PERMIT HOLDER SHALL COMPLY WITH A REQUEST TO OPEN THE AUTOMATED ELECTRONIC DEVICE KIOSK TO ALLOW THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY THE OPPORTUNITY TO INSPECT THE ACCESSORY BIN AND REVIEW ANY DATA THAT RECORDS TRANSACTIONS.

D. UPON BEING ADVISED BY A REPRESENTATIVE OF THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY THAT THERE IS PROBABLE CAUSE TO BELIEVE A CONSUMER ELECTRONIC DEVICE IN THE POSSESSION OF THE PERMIT HOLDER IS STOLEN OR WAS USED IN THE PERPETRATION OF A CRIME, THE PERMIT HOLDER OPERATING THE AUTOMATED ELECTRONIC DEVICE KIOSK SHALL, UPON REQUEST BY THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY:

1. WITHIN THREE (3) CALENDAR DAYS, SURRENDER SUCH CONSUMER ELECTRONIC DEVICE TO THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY. THE RECEIVING POLICE DEPARTMENT OR LAW ENFORCEMENT AGENCY SHALL PROVIDE A SEIZED PROPERTY RECEIPT FOR THE CONSUMER ELECTRONIC DEVICE; OR

2. AT THE SOLE DISCRETION OF THE REQUESTING POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY, THE CONSUMER ELECTRONIC DEVICE MAY BE RETAINED WITHIN THE PLACE OF BUSINESS ON AN INVESTIGATIVE HOLD FOR A PERIOD NOT TO EXCEED NINETY (90) CALENDAR DAYS. DURING THAT TIME PERIOD, MEMBERS OF THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY MAY SEIZE THE CONSUMER ELECTRONIC DEVICE UPON PROVIDING THE PERMIT HOLDER APPROPRIATE NOTIFICATION OF THE SEIZURE AND MAKING ARRANGEMENTS TO TAKE PHYSICAL CUSTODY OF THE CONSUMER ELECTRONIC DEVICE. THE PERMIT HOLDER SHALL PRODUCE THE CONSUMER ELECTRONIC DEVICE AT REASONABLE TIMES AND PLACES, OR MAY DELIVER THE CONSUMER ELECTRONIC DEVICE TO A REPRESENTATIVE OF THE POLICE DEPARTMENT OR OTHER LAW ENFORCEMENT AGENCY.

E. AN INVESTIGATIVE HOLD SHALL BE EFFECTIVE IMMEDIATELY UPON ORAL, EMAIL OR WRITTEN NOTICE TO THE PERMIT HOLDER. IF THE HOLD IS PLACED ORALLY, IT SHALL BE FOLLOWED BY A WRITTEN NOTICE

MAILED TO THE PERMIT HOLDER OPERATING THE AUTOMATED ELECTRONIC DEVICE KIOSK WITHIN FIVE (5) CALENDAR DAYS.

F. AN AUTOMATED ELECTRONIC DEVICE KIOSK PERMIT HOLDER SHALL NOT SELL, TRANSFER, EXCHANGE OR OTHERWISE DISPOSE OF ANY CONSUMER ELECTRONIC DEVICES IN VIOLATION OF THIS CHAPTER.

15-87. - Prohibited transactions.

A. No person, regardless of whether he/she is required to hold a permit under the provisions of this chapter, shall buy, pledge, pawn or otherwise accept merchandise from any person under the age of eighteen (18) years, unless the minor is accompanied by a parent or legal guardian or produces a notarized letter, signed by the minor's parent or guardian, granting permission to the minor to transfer an interest in the property.

It shall not be a defense to an alleged violation of this section that the person reasonably believed the minor to be eighteen (18) years or older unless the minor produced identification as specified in section 15-2 which identifies the minor as eighteen (18) years of age or older.

B. No person shall enter into a pawn transaction or good-faith outright purchase of tangible personal property or goods which have a manufacturer's serial number which has been removed, altered or obliterated.

15-98. - Property connected with crime.

Upon verbal or written notification by representatives of any Police Department that goods and articles received by any business listed in section 15-1 are either the fruits of a crime or other items used to perpetrate a crime, no PERMIT HOLDER ~~auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer~~ shall dispose of such property. If interest is charged upon the pawn, pledge, or item for resale, the interest shall cease to accrue as of the date of such notification. EXCEPT AS OTHERWISE REQUIRED PURSUANT TO SECTION 15-7.D, Upon receiving a receipt from a representative of a Police Department, the PERMIT HOLDER ~~auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer~~ shall turn over such item(s) to the representative of the Police Department.

15-109. - Receipt of abandoned property.

Every person engaged in the business of auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer who, in the conduct of business, comes into possession of abandoned or unclaimed property, shall turn over such property to the Police Department. Said property shall be dealt with pursuant to Chapter 10 of the Chandler City Code. This section shall not apply to unredeemed pawned or pledged articles.

15-110. - Employment of persons convicted under this chapter; employment of convicted persons; termination; EXCLUDING AUTOMATED ELECTRONIC DEVICE KIOSKS.

A. No business regulated by this chapter shall knowingly employ a person to receive, buy, sell, trade, exchange, accept in pawn, consign or otherwise transact the business for which the permit is held, if such person has been convicted in any jurisdiction of any felony, or any misdemeanor, other than violations of this chapter or other provisions of State Statute relating to the manner in which the business is to be operated, involving fraud, theft, dishonesty, deceit or moral turpitude, if such employment is within five (5) years of the conviction date. A business regulated by this chapter that has been notified by the Police Department that such a person is employed by the business shall terminate such employment immediately.

B. No business regulated by this chapter shall knowingly employ a person to receive, buy, sell, trade, exchange, accept in pawn, consign, or otherwise transact the business for which the permit is held, if such person has been convicted two (2) or more times in any three-year period of any violation of this chapter or other provision of State Statute relating to the manner in which the business of the type regulated by this chapter is to be operated. A person or business which has been notified by the Police Department that such a person is employed shall terminate such employment immediately.

15-124. - Permit required; terms; fees.

A. It shall be unlawful to operate A BUSINESS REGULATED BY THIS CHAPTER as ~~an auctioneer, auction house, junk dealer, pawnbroker, antique dealer or secondhand dealer~~ without a valid permit issued pursuant to this chapter. Each person carrying on a business regulated by this chapter shall, before engaging in such business, make application for same to the ~~Management Services~~ Director or ~~designee~~. The application shall be accompanied by a nonrefundable application fee and an annual permit fee to be set forth by City Council resolution. The annual permit fee will be refunded if the permit is denied. The initial annual permit fee shall be prorated as follows:

|                       |                           |
|-----------------------|---------------------------|
| January 1—March 31    | 100% of annual permit fee |
| April 1—June 30       | 75% of annual permit fee  |
| July 1—September 30   | 50% of annual permit fee  |
| October 1—December 31 | 25% of annual permit fee  |

B. The permit required by this section is in addition to any other license or permit required to engage in business by either the City, the County or the State, and shall be nontransferable. No portion or percentage of the fee shall be refunded if a permit is suspended or revoked pursuant to this chapter. Whenever a permit is suspended or revoked pursuant to this chapter, a new application and application fee shall be submitted before a permit may be reissued or reinstated.

C. A SEPARATE PERMIT SHALL BE OBTAINED FOR EACH LOCATION.

D. AN APPLICANT MAY SUBMIT ONE APPLICATION FOR MULTIPLE AUTOMATED ELECTRONIC DEVICE KIOSKS. NO PERMIT SHALL BE TRANSFERABLE EITHER AS TO LOCATION OR AS TO PERSON. EACH AUTOMATED ELECTRONIC DEVICE KIOSK(S) SHALL OPERATE ONLY AT THE LOCATION(S) IDENTIFIED ON THE APPLICATION AND ISSUED PERMIT PURSUANT TO THIS CHAPTER. THE APPLICATION SHALL IDENTIFY ALL LOCATIONS WHERE CONSUMER ELECTRONIC DEVICES COLLECTED IN AUTOMATED ELECTRONIC DEVICE KIOSKS WITHIN THE CITY MAY BE PROCESSED, STORED, MANAGED, OR MAINTAINED AT LOCATIONS NOT IDENTIFIED ON THE PERMIT ONLY WITH THE WRITTEN AND SIGNED CONSENT OF THE CITY.

E. ADDITIONAL FEES FOR ADMINISTRATION OF PERMITS RELATING TO CHANGE OF LOCATION, FINGER PRINTING AND LATE RENEWAL AS ESTABLISHED BY COUNCIL RESOLUTION MAY BE ASSESSED.

F. A PERMIT ISSUED PURSUANT TO THIS CHAPTER SHALL BE VALID FOR THE CALENDAR YEAR IN WHICH IT IS ISSUED. EACH PERMIT EXPIRES ON DECEMBER 31 OF EACH YEAR, AND MUST BE RENEWED ON OR BEFORE JANUARY 1 OF THE FOLLOWING YEAR.

15-132. - Application procedures; renewal; issuance of permit; INFORMATION UPDATE.

A. Any person desiring a permit to engage in a business for which a permit is required under the terms of this chapter shall file an application on forms provided for that purpose by the City's ~~Management Services~~ Director or his/her designee. The application shall provide, AT A MINIMUM, the following information. THE INFORMATION REQUIRED BY PARAGRAPHS 1-4 BELOW MUST BE PROVIDED FOR EACH PARTNER IF THE APPLICANT IS A PARTNERSHIP; EACH GENERAL AND LIMITED PARTNER IF THE APPLICANT IS A LIMITED PARTNERSHIP; EACH SHAREHOLDER OWNING TWENTY (20) PERCENT OR MORE OF THE CORPORATE STOCK AND EACH OFFICER IF THE APPLICANT IS A CORPORATION; AND AN OFFICER, PRESIDENT, OR SECRETARY IF THE APPLICANT IS A LIMITED LIABILITY COMPANY.

1. Name, residence address, date of birth and signature of the applicant.
2. Business name and address.
3. Whether ~~or not~~ the applicant has been convicted in any jurisdiction of a felony, or of any misdemeanor, other than violations of this chapter or other provisions of State Statute relating to the manner in which the business is to be operated, involving fraud, theft, dishonesty, deceit or moral turpitude in the last five (5) years immediately preceding the date of application. The applicant shall provide specific information



describing what offense or offenses the convictions were for and where, when and in which court or courts they were entered.

4. Whether ~~or not~~ the applicant has been convicted two (2) or more times in the preceding three (3) years of any violation of the provisions of this chapter or other provisions of State Statutes relating to the manner in which the business is to be operated.

5. AUTOMATED ELECTRONIC DEVICE KIOSKS PERMIT APPLICATIONS SHALL ADDITIONALLY INCLUDE:

a. ALL LOCATIONS WITHIN THE CITY AT WHICH THE APPLICANT INTENDS TO OPERATE AN AUTOMATED ELECTRONIC DEVICE KIOSK AND THE NUMBER OF AUTOMATED ELECTRONIC DEVICE KIOSKS THAT WILL BE IN SERVICE AT EACH SUCH LOCATION.

b. THE LOCATION(S) WHERE ANY CONSUMER ELECTRONIC DEVICES PLACED IN AUTOMATED ELECTRONIC DEVICE KIOSKS WITHIN THE CITY MAY BE PROCESSED, STORED, MANAGED, OR MAINTAINED.

65. The name, residence address, and date of birth of each person who is or will be employed by the applicant in conducting the business for which the permit application is made, whether the employee is full-time, part-time, permanent or temporary, EXCEPT FOR AUTOMATED ELECTRONIC DEVICE KIOSK APPLICATIONS.

76. EXCEPT FOR AUTOMATED ELECTRONIC DEVICE KIOSK APPLICATIONS, Every applicant, manager and assistant manager shall submit a complete set of fingerprints to the Chandler Police Department prior to filing the application. The fingerprint cards shall be maintained by the police department and the persons submitting the fingerprints shall be responsible for the costs.

B. A permit may be renewed by filing an application for renewal on a form provided by the ~~Management Services Director or designee~~. The application for renewal shall be received by the ~~Management Services Director or designee~~ not less than forty-five (45) days before the expiration of the permit. When the application for renewal is received less than forty-five (45) days before the expiration date the expiration of the permit shall be processed in as timely a manner as possible. Any person who fails to renew a permit on or before the expiration date of that permit, and who conducts any activity for which such a permit is required by this chapter after such permit has expired and not been renewed, shall be in violation of this chapter and shall, in addition to any other penalties permitted by law, pay the late renewal fee established by council resolution, in addition to the annual fee required to be paid upon renewal. Any person who fails to renew their permit within sixty (60) days of expiration shall have their license deemed non-renewable and in addition to all applicable penalties shall also be required to meet all of the requirements for a new permit.

C. An application for renewal of an existing permit need list only:

1. Name of applicant.
2. Mailing address of applicant.
3. Business name.
4. Location of business.
5. Signature of applicant.
6. Any changes in information provided pursuant to subsection A. of this section in the previous year's permit application.

D. The ~~Management Services~~ Director or ~~designee~~ shall issue a permit, or renew an existing permit, when the applicant has complied with the requirements of this chapter, including the payment of any fees and costs, subject to review and approval of the Chief of Police under section 15-4, unless there exists grounds on the face of the application for denial of the application under the provisions of this chapter.

E. A change in location of a ~~permittee~~ PERMIT HOLDER's business may be approved by the Director, provided that all ordinances and regulations of the City are complied with and a fee established by Council resolution is paid to the Director.

F. APPLICATIONS TO CHANGE A PERSON WHO IS DIRECTLY OR INDIRECTLY OPERATING AND ENGAGING IN THE MANAGEMENT AND POLICIES OF THE APPLICANT MUST BE SUBMITTED WITHIN THIRTY (30) DAYS OF THAT PERSON TAKING OWNERSHIP OR CONTROL OF THE AUTOMATED ELECTRONIC DEVICE KIOSK OR KIOSKS.

G. ALL APPLICANTS AND PERSONS HOLDING PERMITS ISSUED PURSUANT TO THIS CHAPTER SHALL GIVE WRITTEN NOTICE TO THE DIRECTOR OF ANY MATERIAL CHANGES IN INFORMATION SUBMITTED IN CONNECTION WITH AN APPLICATION OR APPLICATION FOR RENEWAL OF A PERMIT; INCLUDING BUT NOT LIMITED TO LEGAL NAME, RESIDENCE ADDRESS, MAILING ADDRESS, CRIMINAL HISTORY AS DESCRIBED AS GROUNDS FOR DENIAL IN SECTION 15-14. THIS INFORMATION SHALL BE PROVIDED TO THE DIRECTOR BY THE PERMIT HOLDER, AS APPLICABLE, WITHIN THIRTY (30) DAYS OF ANY SUCH CHANGE.

15-143. - Review of permit application by Chief of Police; recommendation.

A. Every application for a permit to engage in business as regulated by this chapter shall be forwarded by the ~~Management Services~~ Director or ~~his/her designee~~ to the Chief of Police, who shall have a criminal history inquiry conducted on all persons and employees listed on the application. EXCEPT FOR AUTOMATED ELECTRONIC DEVICE KIOSKS, such inquiry shall be made to the Arizona Department of Public Safety pursuant to A.R.S. § 41-1750 and Public Law 92-544 allowing the Arizona Department

of Public Safety to share fingerprint data with the Federal Bureau of Investigation. The inquiry shall be limited to determining whether any person or employee listed on the permit application has been convicted in the last five (5) years from date of permit application of any felony or of any misdemeanor, other than violations of this chapter or other provisions of State Statute relating to the manner in which the business is to be operated, involving fraud, theft, dishonesty, deceit or moral turpitude, and whether such persons or employees have been convicted two (2) or more times in the three (3) years immediately preceding the application of any violation of this chapter or State Statute relating to the manner in which the business is to be operated.

B. If it is determined that any person or employee listed on the permit application has had such a conviction or convictions within the relevant time period or has outstanding warrants for their arrest, the Chief of Police shall recommend denial of the permit application and submit the application back to the ~~Management Services~~ Director or his/her designee, who shall review the recommendation of the Chief of Police, make a final determination and notify the applicant of the decision.

C. If it is determined that no person or employee listed on the permit application has had a conviction or convictions within the relevant time period the Chief of Police shall recommend approval of the permit application and submit it back to the ~~Management Services~~ Director or his/her designee for final determination on whether or not to issue the permit. The ~~Management Services~~ Director or his/her designee shall notify the applicant of the decision.

15-154. - Denial of permit; revocation; suspension; notice.

A. An application for a permit or for renewal of an existing permit shall be denied, or if previously granted, revoked, if there are reasonable grounds to believe that at the time the application was submitted, the applicant or any individual required to provide information for the application in accordance with this chapter, has been convicted in any jurisdiction of a felony, or of a misdemeanor, other than violations of this chapter or other provisions of State Statute relating to the manner in which the business is to be operated, involving fraud, theft, dishonesty, deceit or moral turpitude within the five-year period immediately preceding the filing of the application. No person or business whose application has been denied or revoked under the provisions of this subsection shall be eligible to apply for a permit until the expiration of five (5) years from the date of the most recent conviction.

B. An application for a permit or for renewal of an existing permit shall be denied, or if previously granted, revoked, if it is determined that any false or misleading information is contained in any permit application or was submitted in support of it. No person or business whose application has been denied or revoked under the provisions of this subsection shall be eligible to apply for a permit until the expiration of one (1) year from the date of the denial or revocation of the application or permit.

C. Any permit issued pursuant to this chapter shall be revoked upon the conviction OF OR ISSUANCE OF A FELONY ARREST WARRANT FOR the permit holder in any jurisdiction of a felony, or of a misdemeanor, other than violations of this chapter or other

provisions of State Statute relating to the manner in which the business is to be operated, involving fraud, theft, dishonesty, deceit or moral turpitude. No permit holder whose permit has been revoked under the provisions of this subsection shall be eligible to apply for or hold a permit until the expiration of five (5) years from the date of the most recent relevant conviction.

D. The permit of any permit holder shall be suspended for ninety (90) days if there are reasonable grounds to believe that the permit holder or an employee of the permit holder acting within the scope of employment has been convicted twice during any three-year period of any violation of the provisions of this chapter or State Statute relating to the manner in which the business is to be operated. No permit shall be issued or renewed for an applicant so situated until the passage of ninety (90) days from the entry of judgment on the most recent conviction relied upon in the application of this subsection.

E. The permit of any permit holder shall be suspended for six (6) months if there are reasonable grounds to believe the permit holder or an employee of the permit holder during the course of employment has been convicted three (3) or more times during any three-year period of any violation of the provisions of this chapter or State Statute relating to the manner in which the business is to be operated. No permit shall be issued or renewed for an applicant so situated until the passage of six (6) months from the date of entry of judgment on the most recent conviction relied upon in the application of this subsection.

F. A certified copy of the records of any court of competent jurisdiction reflecting the fact and date of any relevant conviction shall be prima facie evidence thereof for the purposes of this section.

G. The permit of any permit holder shall be suspended for ninety (90) days if the permit holder fails to terminate the employment of any employee as required under the provisions of this chapter.

H. Notice of any denial, suspension, or revocation under the provisions of this section shall be given to the applicant or permit holder, as applicable, in writing, by the ~~Management Services~~ Director via registered mail, return receipt requested or certified mail to the applicant's or permit holder's last known business address as listed in the current calendar year's permit application.

I. Each day that a person or business conducts business for which a permit is required by this chapter without first obtaining a permit or while a permit is under suspension or revocation shall constitute a separate violation of this chapter.

15-165. - Appeal from denial, suspension, or revocation of permit; hearing; determination.

A. To deny or revoke a permit, the Director shall deliver or mail by certified mail, to the mailing address as shown by the permit application, a written notice that said permit is denied or revoked and which lists the grounds therefore. A revoked permit shall be surrendered to the Director on demand.

B. The applicant or ~~permittee~~ PERMIT HOLDER may request an informal hearing on such denial or revocation by submitting a written request within ten (10) days after the notice of denial or revocation is given and shall set forth specifically the grounds for the hearing. If a hearing is not requested within ten (10) days of the date of notice, the revocation shall take effect on the eleventh day after the date of the notice. If a hearing is requested, the revocation shall not take effect until after the hearing and date of notice of the Director's final decision. Appeal of the Director's decision to the City Manager may not be made prior to the date of notice of Director's final decision.

C. Any parties aggrieved by the final decision of the Director/~~designee~~ with regard to the permits required by this chapter may within ten (10) days of the date of notice of such decision give written notice to the City Clerk of intention to appeal to the City Manager/~~designee~~. A timely appeal shall result in a stay of any decision of the Director/~~designee~~. Appeals will be heard in accordance with the provisions set forth in Chapter 1. Failure to appeal in writing within the prescribed time constitutes a waiver of the right to appeal. The decision of the City Manager/~~designee~~ shall be final.

15-176. - Engaging in business without a permit.

It shall be unlawful for any person to engage in a business regulated by this chapter without first obtaining the required permit.

15-187. - Engaging in business while permit is suspended or revoked.

It shall be unlawful for any person to engage in a business regulated by this chapter while his/her permit is suspended or revoked under the provisions of this chapter.

15-198. - False information.

It shall be unlawful for any person to provide false information on reports or records required by any section of this chapter or to provide false information on any permit application.

15-2019. - Display of regulations.

Every person engaged in the business of auctioneer, auction house, junk dealer, pawnbroker, or secondhand dealer, EXCLUDING AUTOMATED ELECTRONIC DEVICE KIOSKS, shall display a copy of this chapter and required permit in a conspicuous place on the premises of the business.

15-210. - Penalty.

A VIOLATION OF THIS CHAPTER IS A CLASS ONE MISDEMEANOR AND UPON CONVICTION SHALL BE PUNISHABLE AS PROVIDED FOR IN SECTION 1-8 OF THIS CODE. ~~Any person convicted of a violation of this chapter shall be subject to a fine in a sum not to exceed two thousand five hundred dollars (\$2,500.00) and to imprisonment not to exceed one hundred eighty (180) days.~~