

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA, ADDING
CHAPTER 5.80 TO THE RIVERSIDE MUNICIPAL CODE REGARDING
PAWNSHOPS AND SECONDHAND DEALERS.

The City Council of the City of Riverside does ordain as follows:

Section 1: Chapter 5.80 of the Riverside Municipal Code entitled Pawnshops and
Secondhand Dealers is hereby added as follows:

Sections:

- | | |
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| 5.80.030 | City Business Certificate Required. |
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| 5.80.070 | Refusal to Issue a Pawnshop Establishment Permit. |
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| 5.80.090 | Holding, Reporting, and Identification Requirement for Pawnshops,
Pawnbrokers, and Secondhand Dealers. |
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Section 5.58.010 Purpose.

A. Pawnbrokers and secondhand dealers and collectors constitute prime vehicles for
the disposal and sale of stolen property within the City. The purpose of this article is to curtail the
dissemination of stolen property and to facilitate the recovery of stolen property.

B. This article is enacted pursuant to Business and Professions Code section 21638 et
seq. This article shall not be construed to require any act or omission which is expressly prohibited
or prohibit any act or omission which is expressly required by Business and Professions Code
sections 21625-21647.

1 **5.80.020 Definitions.**

2 The Following words, terms, and phrases, when used in this article, shall have the meanings
3 ascribed to them in this section, except where the context clearly indicates a different meaning:

4 A. “Pawnbroker” means, a person or business engaged in conducting, managing, or
5 carrying on the business of:

- 6 1. Pawn-broking;
- 7 2. Lending money for himself/herself/itself or any other person or entity upon
8 real property, pawns, or pledges; or
- 9 3. Purchasing articles from the vendors or their assignees at prices agreed upon
10 at or before the time of such purchase.

11 B. “Secondhand Dealer” means, and includes, any person or entity whose business
12 includes buying, selling, trading, taking in pawn, accepting for sale on consignment, accepting for
13 auctioning, pawn-broking, or auctioning secondhand tangible personal property. The term
14 “secondhand dealer” does not include:

- 15 1. A “coin dealer,” as defined in Business and Professions Code section
16 21626(b) or participants at gun shows or events; or
- 17 2. Either of the following:
- 18 a Any person who performs the services of an auctioneer for a fee or
19 salary; or
- 20 b Any person whose business is limited to the reconditioning and
21 selling of major household appliances, provided all the following conditions are met:
- 22 (i) The person does not trade, take in pawn, accept drop-off,
23 accept trade-in, accept for sale on consignment, accept for auction, auction, or buy, except in bulk,
24 the appliances;
- 25 (ii) The person does not perform repair services for owners of
26 appliances unless the appliance was purchased from the person; and
- 27 (iii) The person has never been convicted of the crimes of
28 receiving stolen property or attempting to receive stolen property or any other theft-related crime.

1 C. "Pawnshop" means, any room, store, building, or other place in which pawn-
2 broking or secondhand dealing business is engaged in, carried on, or conducted.

3 **5.80.030 City Business Tax Certificate Required.**

4 A. It is unlawful for any person to operate or conduct the business of a pawnshop,
5 unless a valid, unexpired, and unrevoked business tax certificate is issued pursuant to Chapter 5.04
6 of this Code.

7 **5.08.040 State Business License Required.**

8 Any person engaging in the business of pawn-broking or secondhand dealing, must comply
9 with Business and Professions Code section 21640 et seq., and obtain and maintain a valid State
10 business license from the Department of Justice.

11 **5.08.050 Minor Conditional Use Permit Required.**

12 Any person engaging in the business of pawn-broking or secondhand dealing must comply
13 with Chapter 19.355 of this Code.

14 **5.08.060 Pawnshop and Secondhand Dealer Establishment Permit Required.**

15 A. No person shall own, operate, or manage any Pawnshop Establishment in any
16 location within the City without first having obtained a Pawnshop Business Establishment permit
17 from the Chief of Police.

18 B. Any person desiring own or operate a Pawnshop Establishment must first obtain
19 the licenses, certificates, and permits described in sections 5.80.030, 5.80.040, and 5.80.050
20 described above in order to obtain a pawnshop business establishment permit from the Chief of
21 Police.

22 C. The person(s) must file, under penalty of perjury, a written application on forms
23 provided by and submitted to the Chief of Police. Fees amounts for the application may be
24 established by resolution of the City Council.

25 D. The application shall be completed and signed by the owner of the proposed
26 Pawnshop or Secondhand Dealer Establishment, if a sole proprietorship; one general partner, if
27 the owner is a partnership; or two officers, if the owner is a corporation. The application shall be
28 deemed complete if it contains or is accompanied by the following information:

1 1. A description of the type of ownership of the business (i.e., whether by
2 individual, partnership, corporation, or otherwise). If the applicant is a corporation, the application
3 shall include the names and residence addresses of each of its current officers and directors. An
4 applicant corporation or partnership shall list the names and residence addresses of each of its
5 officers or partners.

6 2. A detailed description of all services to be provided at the Pawnshop or
7 Secondhand Dealer Establishment.

8 3. The proposed business name.

9 4. The complete address and all telephone numbers of the business.

10 5. A complete list of the names and residence addresses of all proposed
11 employees or volunteers with a description of the job duties and functions of each. In the event
12 of corporation ownership, the applicant must also include the name and residence addresses of
13 the responsible employee to be principally in charge of the day-to-day operations of the business.

14 6. Possess original valid licenses, permits, and certificates for the business
15 described in 5.80.030, 5.80.040, and 5.80.050.

16 7. A description of any other business owned or operated by the applicant(s)
17 within the State of California.

18 8. The following personal information concerning every owner:

19 a. Full complete name and all aliases used;

20 b. Current residence address and residential addresses for five (5)
21 years immediately preceding the present address, and the inclusive dates for each such address;

22 c. The complete business, occupation, and employment history for
23 five (5) years preceding the date of application including, but not limited to, pawnshops, pawn-
24 broking, or secondhand dealing and similar business history and experience;

25 d. The complete permit history including, but not limited to, pawn-
26 broking, secondhand dealing, or similar businesses; whether such person has ever had any permit
27 of license issued by any agency, board, city, county, territory, or state; the date of issuance;
28 whether the permit or license was denied, revoked, or suspended;

1 e. A complete set of the applicant's fingerprints taken by the
2 Riverside Police Department. The applicant shall be responsible for payment of any
3 fingerprinting fee.

4 f. Date of birth and original documentation to verify both the
5 applicant's identity and employment authorization (if applicable), as listed under 8 .U.S.C.
6 Section 1324a(b)(1) and 8. C.F.R. Section 247a(b)(1);

7 g. All criminal conviction, including pleas of nolo contendere, within
8 the last ten (10) years, including those dismissed pursuant to Penal Code Section 1203.4, and the
9 date and place of each such conviction and reason and sentence thereof; and

10 h. All pending criminal charges for which the applicant is currently
11 out on bail or on his/her own recognizance.

12 9. The name and address of the owner or lessor of the real property upon or
13 in which the business is to be conducted. If the applicant is not the property, the application must
14 be accompanied by an acknowledgement from the property owner that a Pawnbroker or
15 Secondhand Dealer establishment will be located on the property.

16 10. The name and address of any pawnbroker or secondhand dealer
17 establishment or other business wherein pawn-broking or secondhand dealing is owned or
18 operated by any applicant.

19 11. Such other identification and information as the Chief of Police may
20 require to verify the truth of the matters set forth in the application.

21 12. A statement in writing and dated by the applicant certifying under penalty
22 of perjury that all information contained in the application is true and correct.

23 E. Each permit issued under this section shall expire one year from the date of
24 issuance.

25 F. An unrevoked permit may be renewed for one year by filing, under penalty of
26 perjury, a written application on forms provided by and submitted to the Chief of Police. The
27 renewal fees accompanied with the application may be established by resolution of the City
28 Council.

1 G. A business establishment permit required under this section shall be in addition to
2 any license, permit, or fee required under any other Chapter of this Code.

3 H. A permit holder shall notify the Chief of Police whenever there is a change in
4 information that was required to be submitted in the application. Such notification shall be in
5 writing and made within ten (10) business days of the change.

6 I. The Chief of Police shall complete an investigation of the qualifications and
7 moral character of the applicant and either grant or deny the permit within ninety (90) days after
8 the submission of the completed application; provided, however, if good cause exists, the Chief
9 of Police may extend the period of investigation for an additional thirty (30) days, provided the
10 applicant is mailed notification or verbally notified that the investigation has not been completed.

11 **5.80.070 Refusal to Issue a Pawnshop Establishment Permit.**

12 A. The Chief of Police shall not issue or allow a transfer of a business permit
13 pursuant to this Chapter to an applicant under any of the following conditions:

14 1. The applicant fails to or refuses to furnish the information or documents
15 required by this Chapter or submits false, misleading, or incomplete information on the
16 application;

17 2. The business does not comply with the minimum requirements sets forth
18 in the Chapter or with the City's code, building, fire, health, and zoning regulations;

19 3. The operation of the business will not comport with the peace, health,
20 safety, convenience, good morals, and general welfare of the public;

21 4. The applicant has been convicted of any of the following offenses, unless
22 the Chief of Police finds the offense was so remote in time and that the applicant has been
23 rehabilitated:

24 a. A crime involving dishonesty, fraud, deceit, or moral turpitude;

25 b. A crime committed while engaged in the ownership or operation of
26 a Pawnshop or Secondhand Dealer business;

27 c. Any crime involving conduct reasonably related to the occupation
28 being regulated;

1 d. Attempt to commit or conspiracy to commit any of the above
2 mentioned offenses; or

3 e. Any crime in any other state which is equivalent of or substantially
4 similar to any of the above mentioned offenses.

5 5. The applicant has had a pawnbroker or secondhand dealer establishment
6 permit or license denied, suspended, or revoked, for cause, by any city, county, state, local
7 agency, or other licensing authority, or has had to surrender a permit or license as a result of
8 pending criminal charges or in lieu of said permit or license being suspended or revoked.

9 6. The Property has had a prior revocation of a pawnbroker or secondhand
10 dealer establishment permit, or a state license or the Property Owner was associated with
11 criminal activity related to pawn-broking or secondhand dealing activity.

12 B. Denial of a pawnbroker or secondhand dealer establishment permit shall be given
13 to the applicant in writing and shall specify the grounds for such denial. Notice of the denial shall
14 be deemed to have been served upon personal service or when deposited in the United States
15 Mail with postage prepaid and addresses to the applicant at the address listed on the application.
16 Such refusal to issue a permit may be appealed to the City Council's Public Safety Committee
17 pursuant to Section 5.80.150 of this Chapter.

18 **5.80.080 Display of Licenses.**

19 A. Every pawnshop establishment shall:

20 1. Display the original certified state license to operate as a pawnbroker or
21 secondhand dealer within the State of California in an open and conspicuous location;

22 2. Display the original valid business tax certificate issued to the pawnshop
23 establishment owner in an open and conspicuous location.

24 3. Display the original valid Minor Condition Use Permit issued by the City
25 allowing a pawnshop establishment to operate a business within the City in an open and
26 conspicuous location;

27 4. Display the original valid pawnshop establishment permit issued by the
28 Chief of Police in an open and conspicuous location.

1 B. The City may conduct reasonable inspections, during regular business hours, to
2 ensure compliance with this Code, this Chapter, and other sections of the Riverside Municipal
3 Code, and other applicable fire and health and safety requirements. An owner or employee cannot
4 refuse to permit such lawful inspection of the premises at any time it is occupied or open for
5 business.

6 C. All owners shall be responsible for the conduct of all of its employees while the
7 employees are in the premises of the pawnshop establishment.

8 **5.80.090 Holding, Reporting, and Identification Requirements for Pawnshops,**
9 **Pawnbrokers, and Secondhand Dealers.**

10 A. Pawnbrokers, and secondhand dealers shall comply with Business and Professions
11 Code sections 21628, 21630, 21633, and 21638 with regard to requirements for holding, reporting,
12 and identification respecting tangible personal property, as defined in Business and Professions
13 Code section 21627(b), acquired in the ordinary course of business.

14 **5.80.100 Daily Report of Pawnbrokers and Secondhand Dealers.**

15 A. Every pawnbroker and secondhand dealer shall comply with all reporting
16 requirements pursuant to Business and Professions Code sections 21628-21643.

17 **5.80.110 Bond**

18 A. Every pawnbroker and secondhand dealer shall furnish to the City a bond in the
19 principal amount of \$20,000 guaranteeing faithful performance by the pawnbroker or secondhand
20 dealer of the terms and conditions set forth in this Chapter and the Business and Professions Code.

21 **5.80.120 Report of Stolen Goods.**

22 A. Every pawnshop, pawnbroker, and secondhand dealer shall immediately notify the
23 chief of police by telephone when any property is offered to him or her for pledge or for sale under
24 any circumstances that the pawnbroker or secondhand dealer knows or should have known the
25 property so offered for pledge or sale to have been stolen.

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1 **5.80.130 Violation and Penalty.**

2 A. A violation of any provision of this Chapter under circumstances where a person
3 knows or should have known that a violation was being committed is a misdemeanor punishable
4 pursuant to Business and Professions Code section 21645, Chapter 1.01.110(A), and this Chapter.

5 B. The provisions of this Chapter may be enforced through the administrative code
6 enforcement remedies set forth in Chapter 1.17 of this Code in addition to all other proceedings
7 authorized by this Code or otherwise by law. The prevailing party in any action, administrative
8 proceeding, or special proceeding to abate a nuisance shall be entitled to recover their attorney's
9 fees and costs pursuant to Chapters 1.01, 1.17, and 6.15 of this Code, and Government Code
10 section 38773.5. (Ord. 7121 § 1, 2011; Ord. 4109 § 1 (part), 1974)

11 **5.80.140 Revocation of a Pawnshop Establishment Permit.**

12 A. Subject to the procedures set forth in this section, the Chief of Police may revoke a
13 pawnshop or secondhand dealer's establishment permit issued pursuant to this Chapter whenever
14 any of the following has occurred:

15 1. The holder of an establishment permit is acting in a manner contrary to, or
16 has violated, any provision of this Code or the Business and Professions Code.

17 2. The holder of an establishment permit is acting in a manner that constitutes
18 a public nuisance.

19 3. The holder of an establishment permit or their agents, contractor, or
20 employees has violated any laws in connection with the operation of this business or failed to
21 cooperate with the Riverside Police Department.

22 4. The Chief of Police makes any of the findings that would have justified
23 denying the application for an establishment permit in the first instance.

24 B. If, in the discretion of the Chief of Police, the violation is capable of correction,
25 then prior to revocation, a written notice shall be given to the permittee or certificate holder of the
26 violation(s) involved to allow a period of time to correct the violation(s), which period shall not
27 exceed five business days, at the end of said period, the police department shall conduct an
28 inspection to determine whether the violation(s) has been corrected. If the Chief of Police

1 determined that the violation(s) is not capable of correction or finds that the violation(s) continues
2 without correction, then the Chief of Police may issue a notice of revocation.

3 C. To revoke an establishment permit, the Chief of Police shall serve upon the holder
4 thereof, either by personal service or by United States Mail sent to address(es) listed on the
5 establishment permit application, a written notice that said permit shall be revoked on a date
6 specified in said notice. The cause or causes for revocation may be appealed to the City Council's
7 Public Safety Committee pursuant to the procedures set forth in Section 5.80.150 of this Chapter.
8 All pawning and secondhand dealing or work activity by an employee shall cease following
9 issuance of the notice of revocation and no activity for which the permit is required shall be
10 conducted.

11 D. A revoked establishment permit shall be immediately surrendered to the Chief of
12 Police.

13 **Section 5.80.150 Appeal.**

14 A. An appeal to the Chief of Police's decision to deny or revoke an establishment
15 permit pursuant to this Chapter must be filed with the City Clerk, in writing, within ten (10)
16 calendar days after denial of the application or revocation of the establishment permit has been
17 served. The appeal shall clearly state the applicable basis for the appeal. Service is deemed
18 complete upon personal service or date of mailing.

19 B. The scope of the appeal hearing pursuant to this Section shall be limited to those
20 issued raised by appellant in the written appeal, as submitted pursuant to subdivision (A) above.

21 C. Should an appeal of a revocation of an establishment permit be filed, the revocation
22 decision will remain in effect and no activity for which the permit allows may occur on the property
23 until such time as the Public Safety Committee has rendered a final decision.

24 D. Upon filing of the appeal, the City Clerk shall set the matter for hearing before the
25 Public Safety Committee, which hearing will be set at the next available Public Safety Committee
26 Meeting. The Committee may uphold, reverse, or modify the decision of the Chief of Police.

27 E. Any withdrawal of an appeal or the surrender of the establishment permit will be
28 deemed a revocation of that permit.

1 **5.80.160 Establishment Permit Land Use**

2 A. If, within the past five (5) years, the Property had an establishment permit
3 revoked under this Chapter or there was criminal activity relating to receiving stolen property,
4 selling stolen property, storing stolen property, or similar illegal conduct, on the Property, the
5 Chief of Police may deny any subsequent establishment permit for that Property up to one year
6 from the date of the most recent denial of an establishment permit application.

7 B. An appeal of a denial of an establishment permit under this section may be made
8 pursuant to the appeal provision of this Chapter.

9 **5.80.170 Severability.**

10 If any section, subsection, sentence, clause, or phrase of this Chapter is for any reason
11 held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such
12 decision shall not affect the validity of the remaining portions of the Chapter. The City Council
13 hereby declares that it would have passed this Chapter and each section, subsection, clause or
14 phrase thereof irrespective of the fact that any one or more other sections, subsections, clauses or
15 phrases may be declared invalid or unconstitutional.

16 Section 2: The City Clerk shall certify to the adoption of this ordinance and cause
17 publication once in a newspaper of general circulation in accordance with Section 414 of the
18 Charter of the City of Riverside. This ordinance shall become effective on the 30th day after the
19 date of its adoption.

20 ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk
21 this ____day of August 2017.

22
23 _____
Mayor of the City of Riverside

24 Attest:

25
26 _____
27 City Clerk of the City of Riverside
28

1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
2 foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the
3 ____ day of August 2017, and that thereafter the said ordinance was duly and regularly adopted at
4 a meeting of the City Council on the ____ day of August 2017, by the following vote, to wit:

5 Ayes:

6 Noes:

7 Absent:

8 Abstain:

9 IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of
10 the City of Riverside, California, this ____ day of August 2017.

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12 _____
13 City Clerk of the City of Riverside
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