

## ***Town of Camden***

P.O. DRAWER 1002  
CAMDEN, DELAWARE 19934

### **ORDINANCE FOR ADOPTION OF RULES AND REGULATIONS WITH REGARD TO PAWNBROKERS AND PAWN SHOPS, WITHIN THE TOWN LIMITS OF CAMDEN, DELAWARE**

#### **“THE PAWNBROKERS’ ORDINANCE”**

#### **ORDINANCE NUMBER 57**

**An ordinance of the Town of Camden adopting definitions, license requirements, license fee, standards for issue, suspension or revocation of license, operation standards of pawn shops, and penalties and other remedies.**

##### **Short Title.**

This ordinance shall be known and may be cited as “The Pawnbrokers’ Ordinance”.

##### **Scope.**

The provisions of this ordinance shall be effective within the Town Limits of Camden, Delaware.

##### **Definitions.**

Unless it appears that a different meaning is intended, the following words shall have the meaning given them by this section:

“Chief of Police”, shall mean the Chief of Police of the Town of Camden.

“Town Manager”, shall mean the town manager as defined by charter and appointed by Town Council.

“Month”, that period of time from one date in a calendar month to the corresponding date in the following calendar month, but if there is no such corresponding date, then the last date of such following month, and when computations are made for a fraction of a month, a day shall be one-thirtieth of a month.

“Net-Assets”, the book value of the current assets of a person or pawnbroker less its applicable liabilities as stated in this ordinance. Current assets include the investment made in cash, bank deposits, merchandise inventory, and loans due from customers excluding the pawn service charge. Current assets do not include the investments made in fixed assets of real estate, furniture, fixtures, or equipment; investments made in stocks, bonds, or other securities,

investments made in prepaid expenses or other general intangibles. Applicable liabilities include trade or other accounts payable; accrued sales, income, or other payables that are unsecured or secured in whole or part by current assets. Net assets must be represented by a capital investment unencumbered by any liens or other encumbrances by any liens or other encumbrances to be subject to the claims of general creditors.

“Pawnbroker”, any person engaged in the business of lending money on the security of pledged goods or engaged in the business of purchasing tangible personal property with conditions that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

“Pawnshop”, the location at which or premises in which a pawnbroker regularly conducts business;

“Person”, an individual, partnership, corporation, joint venture, trust, association or any other legal entity however organized;

“Person of good moral character”, a person who has not been convicted of any state, federal or municipal offense involving drugs or narcotics, robbery, burglary, theft, stealing, receiving stolen property, embezzlement, extortion, forgery, gambling, bribery, perjury, any weapon offense, or any crime of violence within a five-year period.

“Pledged goods”, tangible personal property other than choses in action, securities, or printed evidence of indebtedness, which property is deposited with or otherwise actually delivered into the possession of a pawnbroker in the course of his business in connection with a pawn transaction;

“Secured personal credit loan”, every loan of money made in this state, the payment of which is secured by a security interest in tangible personal property which is physically delivered into the hands of the lender at the time of the making of the loan and which is to be retained by the lender is a subsisting obligation.

**License required.**

No person shall operate a pawnshop within the Town Limits of Camden unless such person obtains pawnshop license issued by the Town Manager of the Town of Camden, State of Delaware.

**Licensing year is calendar year.**

All licenses issued under this ordinance are for a period of one year, or portion of one year, and expire on midnight of December 31th.

**Application for new pawnshop license.**

An application for a new pawnshop license shall be under oath and shall state the full name and place of residence of the applicant, the place where the business is to be conducted, and other relevant information required by the Town Manager. If the applicant is a partnership, the application shall state the full name and address of each partner, and whether such partner is a general partner or a limited partner. If the applicant is a corporation, the applicant shall state the



full name and address of each officer, shareholder, and director. The application fee of five hundred dollars (\$500.00) if the applicant is unlicensed at the time of applying for the pawnshop license or two hundred and fifty (\$250.00) if the application involves a second or additional license to an applicant previously licensed for a separate location or involves substantially identical principals and owners of a licensed pawnshop at a separate location; and

Proof of general liability insurance in the amount of \$30,000, and

An annual fee of five hundred dollars (\$500.00)

**Transfer of existing pawnshop license; change of ownership of licensed pawnshop.**

Transfer of an existing pawnshop license or the ownership of a licensed pawnshop will be require the same initial application for a new pawnshop license. Licenses are personal to the licensee.

**Application for license.**

The application form for a new license, a renewal license, transfer of an existing license or change of ownership of a licensed pawnshop shall be on forms prescribed and provided by the Town Manager, and shall contain information sufficient to inform the Town Manager regarding the qualifications of the applicant for a license or renewal license.

**Investigation by Town Manager.**

The Town Manger shall cause the facts contained in an application for a pawnshop license, to be investigated by the Chief of Police, or his designee.

**Standards for issuance of license.**

No License shall be issued:

To any person who is not of good moral character, or to any pawnshop employing persons who are not of good moral character.

To any person who makes a false statement of material facts in the application for a license or renewal license.

To any person who does not have net assets of at least fifty thousand dollars (\$50,000.00) readily available for use in conducting business as a pawnshop for each licensed pawnshop.

To any person who does not file with the Town Manager a bond satisfactory to the Town Manager in an amount of five thousand dollars (\$5,000.00) with a surety company qualified to do business in the State of Delaware. The aggregate liability of such surety shall not exceed the amount stated in the bond.

**Exemption from requirement for pawnshop license.**

There shall be no exemption from the requirement for a pawnshop license.

### **Suspension or Revocation of license.**

If the Town Manager believes that conditions have changed such that the holder of a pawnshop license would not still be eligible to receive a pawnshop license, the Town Manager may suspend or revoke the pawnshop license.

If the Town Manager believes that the holder of a pawnshop license may remedy the situation-giving rise to the Town Manager's belief that conditions have changed, the Town Manager shall suspend the license. If the Town Manager believes that the changed condition or conditions are such that, if true, the licensee would not be able to remedy the situation in a reasonable time, the Town Manager shall revoke the pawnshop license.

If the Town Manager believes that the safety, morals, or peace of residents of the Town of Camden is immediately affected by the change in conditions, the Town Manager may suspend or revoke the license prior to a hearing within five (5) days of the suspension or revocation if the licensee desires such a hearing. If the Town Manager believes that the changed condition is not of such imminent hazard to the safety, morals, or peace of the residents of the Town of Camden he may have a hearing prior to his action. He shall give the licensee at least ten (10) days notice of the hearing.

### **Receipt for pledged property; contents; loss of, effect.**

At the time of making any secured personal credit loan, the lender shall execute and deliver to the borrower a receipt for and describing the tangible personal property subjected to the security interest to secure the payment of the loan. The receipt shall contain the following:

The name and address of the pawnshop;

The name and address of the pledgor, the pledgor's description, and the driver's license number, military identification number, or other number capable of identifying the pledgor, date of birth, height, weight, sex, race or nationality;

The date of the transaction;

An identification and description of the pledged goods, including serial numbers if reasonably available;

The amount of the pawn service charge;

The total amount which must be paid to redeem the pledged goods on the maturity date;

The maturity date of the pawn transaction; and

A statement to the effect that the pledgor is not obligated to redeem the pledged goods, and that the pledged goods may be forfeited to the pawnbroker sixty days after the specified maturity date.

The Pawnbroker shall keep a register of all items pawned at each pawnshop, which register shall



contain the information listed in the first item of this section;

All pawnbrokers shall install a proper camera in operative condition and use such equipment to photograph every person and receipts of pawn shop tickets given to such persons with all loans to persons and with all purchases and with items from persons.

All pawnbrokers shall display, in a prominent place, a notice to customers that they are required to be photographed when they pawn, sell or offer as a part or full payment any item to the pawnbroker.

All such photographs shall be developed and kept by the pawnbroker for a period of at least one-year following the taking of the photograph.

The register and photographs provided for herein shall at all times be kept open to the inspection of police officers duly sworn as members of the Camden Police Department. Every pawnbroker shall also, upon request, show and exhibit to any such officer, any article purchased, taken or received by the pawnbroker if the item is still in the possession of the pawnbroker.

If a pawn ticket is lost, destroyed, or stolen, the pledgor may so notify the pawnbroker in writing, and receipt of such notice shall invalidate such pawn ticket, if the pledged goods have not previously been redeemed. Before delivering the pledged goods or issuing a new pawn ticket, the pawnbroker shall require the pledgor to make a written affidavit of the loss, destruction or theft of the ticket. The pawnbroker shall record on the written statement the identifying information required, the date the statement is given, and the number of the pawn ticket lost, destroyed, or stolen. The affidavit shall be signed by a notary public appointed by the Secretary of State of the State of Delaware.

**Loans due, when – return of collateral, when – restrictions.**

Every secured personal credit loan shall be due and payable in lump sum thirty days after the date of the loan contract, or, if extended, thirty days the date of the last preceding extension of the loan, and if not so paid when due, it shall, on the next day following, be in default. The lender shall retain possession of the tangible personal property subjected to the security interest to secure payment of any secured personal credit loan for a period of sixty (60) days next following the date of the default. If, during the period of sixty days, the borrower shall pay to the lender the principal sum of the loan, with the loan fee or fees, and the interest due thereon to the date of payment, the lender shall thereupon deliver possession of the tangible personal property to the borrower. But if the borrower fails, during the period of sixty days, to make payment, the title to the tangible personal property shall, on the day following the expiration of the period of sixty days, pass to the lender, without foreclosure, and the right of redemption by the borrower shall be forever barred.

A pledgor shall have no obligation to redeem pledged goods or make any payment on a pawn transaction.

Except as otherwise provided herein, any person properly identifying himself and presenting a pawn ticket to the pawnbroker shall be presumed to be entitled to redeem the pledged goods therein.

**A pawnbroker shall not:**

Accept a pledge from a person who is under eighteen years of age,

Make any agreement requiring the personal liability of a pledgor in connection with a pawn transaction,

Accept any waiver, in writing or otherwise, of any right or protection accorded a pledgor under this ordinance or other law,

Fail to return pledged goods to a pledgor upon payment of the full amount due the pawnbroker on the pawn transaction. In the event such pledged goods are lost or damaged as a result of a pawnbroker negligence while in the possession of the pawnbroker, it shall be the responsibility of the pawnbroker to replace the lost or damaged goods with like kind or merchandise. Lenders shall not be responsible for loss of pledged articles due to acts of God, acts of war, or riots. Each lender shall employ, if reasonably available in the area, a reputable company for the purpose of fire and theft security,

Purchase or take in trade used or secondhand personal property unless a record is established that contains:

The name, address, physical description, and driver's license number, military identification number, identification certificate number, or other official number capable of identifying the seller

A complete description of the property, including the serial number if reasonably available, or other identifying the seller;

A signed document from the seller providing that the seller has the right to sell the property,

**Pawnshop not to be used as a residence.**

No pawnbroker or member of the pawnbroker's family, or employee, or any other person shall be permitted to live in a pawnshop or in rooms connecting therewith.

**Hours of operation.**

No pawn shop shall be open for business or receive as pawned, pledged or purchased on any condition whatsoever, any article or personal property or other valuable thing between the hours of 9:00 p.m. on any day and 7:00 a. m. on the following day.

**Notice of goods to be shipped out of town.**

Every pawnbroker shall give the Chief of Police notice of all pawned goods to be shipped out of town, which notice shall state the name of the pledgee and the destination and date of shipment. Such goods shall not be shipped for at least seven (7) days after delivery of the copy of the register to the Chief of Police.



**Adequate books and records required.**

Each licensee shall keep, consistent with accepted accounting practices, adequate books and records relating to the licensee's pawn transactions, which books and records shall be preserved for a period of at least two (2) years from the date of the last transaction recorded therein.

**Weekly Report.**

The licensee shall deliver to the Chief of Police once weekly, a report containing information requested by said Chief of Police. The Chief of Police will determine the format, and information the licensee will be responsible to provide under this ordinance.

**Rules.**

Following the implementation of this ordinance the Town Manager may issue such rules and regulations as he deems necessary to implement the policies contained herein.


**Penalty and other remedies.**

Any person who violates any provision of this ordinance is guilty of a violation and may be punished by a fine of no less than \$500.00 or sixty (60) days, or both, as authorized by the Town of Camden's Charter as amended by House Bill Number 166 and signed by the Governor on July 8, 2003. Except where an appeal is taken, each day of a separate and continuing violation shall be deemed a separate offense.

**Effective date of ordinance.**

This ordinance shall be in effect upon the second reading of Town Council. Any pawnshop in existence prior to enactment of this ordinance shall be required to comply within thirty days with all sections of this ordinance.

ENACTED AND ORDAINED THIS 23<sup>rd</sup> DAY OF JANUARY 2004.

  
Charles D. Stewart, Jr., Mayor

{SEAL}

  
Attested to:

1 <sup>st</sup> Reading:	<u>January 5, 2004</u>
2 <sup>nd</sup> Reading:	<u>January 23, 2004</u>
Public Hearing:	<u>January 23, 2004</u>
Adopted:	<u>January 23, 2004</u>

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