

Ordinance 03-13

To recreate the following sections of the Municipal Code of the City of Racine, Wisconsin relating to Secondhand Dealers and Pawnbrokers licenses.

The Common Council of the City of Racine, Wisconsin, do ordain as follows:

Part 1: In Sec. 22-891 – Pawnbrokers and secondhand article and jewelry dealers, repeal and recreate sections (a) through (k) of section (2) Definitions as follows:

“The following definitions apply to this Section:

(a) *Antique dealer* means a person, other than a nonprofit organization, who is engaged in the business of selling or purchasing used home furnishings. Antique dealers are subject to the requirements set forth in Wisconsin Statute section 134.695 and codified in section 22-891(10) below.

(b) *Article* means any item of value except jewelry as defined below.

(c) *Billable Transaction* means every reportable transaction conducted by a pawnbroker and secondhand article and jewelry dealer except renewals, redemptions, voids, confiscations, or extensions of existing pawns or purchases previously reported and continuously in the licensee’s possession.

(d) *Charitable Organization* means a corporation, trust, or community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(e) *Customer* means a person with whom a pawnbroker, secondhand article dealer or secondhand jewelry dealer or an agent thereof engages in a transaction of purchase, sale, receipt or exchange of any secondhand article or secondhand jewelry.

(f) *Display of license*. Each license issued under this chapter shall be displayed in a conspicuous place visible to anyone entering a licensed premise.

(g) *Jewelry* means any tangible personal property ordinarily wearable on the person and consisting in whole or in part of any metal, mineral, or gem customarily regarded as precious or semiprecious.

(h) *Pawnbroker* means any person who engages in the business of lending money on the deposit or pledge of any article or jewelry, or purchasing any article or jewelry with an expressed or implied agreement or understanding to sell it back at a subsequent time at a stipulated price. A person is not acting as a pawnbroker when engaging in any of the following:

1. Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem, or antique show, or a convention.
2. Any transaction entered into by a person engaged in the business of junk collector, junk dealer, or scrap processor, as described in Wis. Stats. § 70.995(2)(x).
3. Any transaction while operating as a charitable organization or conducting a sale, the proceeds of which are donated to a charitable organization.
4. Any transaction between a buyer of a new article and the person who sold the article when new that involves any of the following:
 - a. The return of the article.
 - b. The exchange of the article for a different, new article.
5. Any transaction as a purchaser of a secondhand article from a charitable organization if the secondhand article was a gift to the charitable organization.
6. Any transaction as a seller of a secondhand article that the person bought from a charitable organization if the secondhand article was a gift to the charitable organization.

(i) *Reportable Transaction* means every transaction conducted by a pawnbroker and secondhand article and jewelry dealer in which an article or jewelry is received through a pawn, purchase, consignment, or trade, or in which a pawn is renewed, extended, voided, or redeemed, or for which a unique transaction number or identifier is generated by their point-of-sale software, and is reportable except:

1. The bulk purchase or consignment of new or used articles from a merchant, manufacturer, or wholesaler having an established permanent place of business, and the retail sale of said articles, provided the pawnbroker or secondhand article or jewelry dealer shall maintain a record of such purchase or consignment that describes each item, and shall mark each item in a manner that relate it to that transaction record.
2. Retail and wholesale sales of articles originally received by pawn or purchase, and for which all applicable hold and/or redemption periods have expired.

(j) *Secondhand* means owned by any person, except a wholesaler, retailer, or any pawnbroker or secondhand article or jewelry dealer licensed under this Section or Wis. Stat. § 134.71 or an ordinance adopted pursuant thereto immediately prior to the transaction at hand.

(k) *Secondhand Article Dealer* means any person who engages in the business of purchasing, selling or exchanging secondhand articles except when engaging in any of the following:

1. Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem or antique show, a convention or an auction.
2. Any transaction entered into by a person while engaged in a business as a pawnbroker or secondhand jewelry dealer for which the person is licensed under this Section, or under Wis. Stat. § 134.71 or under an ordinance adopted pursuant thereto.
3. Any transaction entered into by a person while engaged in the business of junk collector, junk dealer, auctioneer or scrap processor as described in Wis. Stat. § 70.995(2) and Racine Code of Ordinances section 22-641.
4. Any transaction while operating as a charitable organization or conducting a sale the proceeds of which are donated to a charitable organization.
5. Any transaction between a buyer of a new article and the person who sold the article when new, which involves any of the following:
 - a. The return of the article.
 - b. The exchange of the article for a different, new article.
6. Any transaction as a purchaser of a secondhand article from a charitable organization if the secondhand article was a gift to the charitable organization.
7. Any transaction as a seller of a secondhand article that the person bought from a charitable organization if the secondhand article was a gift to the charitable organization.
8. Any transaction between a buyer of a new article and a seller of new articles who accepts an occasional secondhand article in trade.
9. The sale of secondhand books or magazines.
10. Goods sold at the public market, i.e., farmers market, etc.
11. Goods sold by a bonafide antique, used furniture, or used clothing dealer, so long as seventy-five percent (75%) of said dealer's business revenue is derived through the sale of antiques, used furniture or used clothes. Antique dealers are subject to the requirements set forth in Wisconsin Statute section 134.695 and codified in section 22-891(10) below.

(l) *Secondhand Jewelry Dealer* means any person who engages in the business of any transaction consisting of purchasing, selling, receiving, or exchanging secondhand jewelry except for the following:

1. Any transaction at an occasional garage or yard sale, an estate sale, a gun, knife, gem or antique show, a convention or an auction.
2. Any transaction with a licensed secondhand jewelry dealer.
3. Any transaction entered into by a person while engaged in a business of smelting, refining, assaying or manufacturing precious metals, gems or valuable articles if the person has no retail operation open to the public and does not purchase the precious metals, gems or valuable articles from the general public.
4. Any transaction between a buyer of new jewelry and the person who sold the jewelry when new, which involves any of the following:
 - a. The return of the jewelry.
 - b. The exchange of the jewelry for a different, new jewelry.
5. Any transaction operating as a charitable organization or conducting a sale the proceeds of which are donated to a charitable organization
6. Any transaction as a purchaser of secondhand jewelry from a charitable organization if the secondhand jewelry was a gift to the charitable organization.
7. Any transaction as a seller of secondhand jewelry that the person bought from a charitable organization if the secondhand jewelry was a gift to the charitable organization.
8. Any transaction between a buyer of a new jewelry and a seller of new jewelry who accepts an occasional secondhand piece of jewelry in trade.”

Part 2: Add section (10) to Sec. 22-891 – Pawnbrokers and secondhand article and jewelry dealers, as follows:

“(10) Antique dealer requirements.

(a) Per Wisconsin Statute section 134.695, no antique dealer may knowingly purchase or receive used home furnishings from a person unless the antique dealer obtains the person’s signature and records all of the following information:

- (1) The person’s name and address.
- (2) One of the following identification numbers:

a. The person's motor vehicle operator's license number.

b. The person's state identification card number.

c. The person's military identification card number.

d. The person's U.S. passport number.

e. The person's alien registration card number.

(3) The registration plate numbers and the color, make, model and year of any motor vehicle delivering the used home furnishings to the antique dealer.

(4) If known by the person, the address of the home or other building from which the used home furnishings were removed.

(b) An antique dealer shall maintain a record of the information provided under sub. (a) for not less than one year after the later of the dates on which the antique dealer purchases or receives the used home furnishings.”

Part 3: This ordinance shall take effect upon passage by a majority vote of the members-elect of the City Common Council and publication or posting as required by law.

Passed by the Common Council:

Approved:

Mayor

Attest:

City Clerk

Fiscal Note: N/A