



Legislation Details (With Text)

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**File created:** 10/10/2013      **In control:** Committee on Licenses and Inspections

**On agenda:**      **Final action:**

**Title:** Amending Section 9-603 of The Philadelphia Code, entitled "Pawnbrokers," and Section 9-615, entitled "Dealers in Precious Metals," to revise the length of the holding period during which pawnbrokers must retain articles of personal property and dealers in precious metals must retain precious metals; and to provide for appeals; all under certain terms and conditions.

**Sponsors:** Councilmember Quiñones Sánchez

**Indexes:** PAWNBROKERS

**Code sections:**

**Attachments:** 1. Bill No. 13072200.pdf

Date	Ver.	Action By	Action	Result	Tally
10/10/2013	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending Section 9-603 of The Philadelphia Code, entitled "Pawnbrokers," and Section 9-615, entitled "Dealers in Precious Metals," to revise the length of the holding period during which pawnbrokers must retain articles of personal property and dealers in precious metals must retain precious metals; and to provide for appeals; all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Section 9-603 of The Philadelphia Code is hereby amended to read as follows:

§ 9-603. Pawnbrokers.

\* \* \*

(2) Licenses.

(a) No person shall act as a pawnbroker unless he has obtained a license from the Department of Licenses and Inspections for each location from which that person seeks to act as a pawnbroker.

\* \* \*

(4) Holding Period.

(a) Every pawnbroker shall keep, for at least [90] *fourteen (14)* days from the date of receipt, and in a suitable location for safekeeping, any article of personal property it has purchased or received as a pledge; provided that any person who presents adequate identification as set forth in subsection (3)(c)(i) to (vi) to demonstrate that he or she is the person named on the pawn ticket as the seller or owner of the article of personal property may redeem or otherwise retrieve the article of personal property prior to the expiration of

the holding period.

\* \* \*

(5) Penalties, Cease Operations Orders and License Revocations. Depending upon the seriousness of the violation and the prior record of the pawnbroker with respect to violations of this Section, a violation of this Section shall subject the pawnbroker to any or all of the following:

(a) a fine not exceeding the maximum fine for Class III offenses as set forth in Section 1-109.

(b) suspension of licenses granted under this Section for all premises operated by the pawnbroker where violations have occurred and referral to the Secretary of Banking of the Commonwealth of Pennsylvania to determine whether the license or licenses granted to the pawnbroker will be revoked. During any period of license suspension, each and every location of the pawnbroker's business shall cease operation as a pawnbroker. The Department shall issue a Cease Operations Order for each business location operated by the pawnbroker whose license(s) have been suspended in accordance with the same procedures as set out in Section 6-103 of the Health Code, provided that the Cease Operations Order shall identify the prohibited operations and shall state that the applicable license has been suspended for violation(s) of the Code. Immediately upon suspending the license or licenses of a pawnbroker, the Department shall give written notice of the suspension to the Secretary of Banking of the Commonwealth of Pennsylvania. The duration of a license suspension by the Department shall not exceed the maximum amount of time permitted under Section 30 of the Act of April 6, 1937, P.L. 200, 63 P.S. § 281-30.

(.1) No new pawnbroker license shall be issued for a business location posted with a Cease Operation Order, so long as any person under a license suspension imposed by the Department or license revocation by the Secretary of Banking, or any member of such person's immediate family, or, in the case of a corporation, the corporation or any affiliated business entities, retain a pecuniary interest in the property at that location.

(c) suspension of the commercial activity license of the pawnbroker pursuant to the procedures set forth in Section 19-2602(4)(h), (5) & (6).

*(6) Appeals. The procedures set forth in Section 9-103 ("Enforcement and Appeals") shall apply to the suspension of any pawnbroker license required by subsection (2)(a). In the event that a pawnbroker prevails in an appeal from a suspension of such a license, and if the Department earlier advised the Secretary of Banking that the license had been suspended, the Department shall promptly give written notice of the successful appeal to the Secretary.*

SECTION 2. Section 9-615 of The Philadelphia Code is hereby amended to read as follows:

§ 9-615. Dealers in Precious Metals.

\* \* \*

(2) Licenses. No person shall engage in the business of, or be employed as a dealer in precious metals unless he or she first obtains a license from the Department of Licenses and Inspections for each location from which that person seeks to act as a dealer in precious metals.

\* \* \*

(8) Holding Period.

(a) Every dealer in precious metals shall keep any purchased, received or exchanged precious metals for at least [30] *fourteen (14)* days from the date of receipt either on the dealers' premises or, if permitted under state law, at another suitable place for safekeeping; except that any person who presents adequate identification as set forth in subsection (6)(i) to (vi) to demonstrate that he or she is the person named in the electronic inventory tracking system as the owner of the precious metals may retrieve the precious metals prior to the expiration of the holding upon repayment to the dealer in precious metals of the purchase price paid to the customer by the dealer in precious metals and payment of any storage fee not to exceed 25% of that purchase price.

\* \* \*

(11) Penalties, Cease Operations Orders and License Revocations. A violation of any provision of this Section shall be classified as a Class III offense and the penalty for such violation is, in addition to any other sanctions provided, a fine not exceeding the maximum fine for Class III offenses as set forth in Section 1-109. In addition to the penalties provided in Section 1-109, any dealer in precious metals who violates any provisions of this Section shall have all of his licenses revoked for ninety (90) days for the first offense and for a period of one (1) year upon each succeeding offense. The provisions of Section 9-105 shall not apply to violations of this Section.

(a) During any period of license revocation, each and every location of the dealer's business where violations have occurred shall cease operation as a dealer in precious metals. The Department shall issue a Cease Operations Order for each business location operated by the dealer whose license(s) have been revoked in accordance with The Philadelphia Administrative Code, provided that the Cease Operations Order shall identify the prohibited operations and shall state that the applicable license has been revoked for violation(s) of the Code. The Cease Operations Order shall be in force for the full period of any license revocation, and shall set forth this period in the Order. The Department shall not remove any posted Cease Operations Order until the Department is satisfied that all revoked licenses have been restored, or the property interests in the location have changed so that neither the person under license revocation nor any member of his immediate family, or in the case of a corporation, the corporation or any affiliated business entities retain a pecuniary interest therein.

(b) No new dealer in precious metals shall be issued a license for a business location that has been posted with a Cease Operation Order, so long as any person under a license revocation, or any member of such person's immediate family, or in the case of a corporation, the corporation or any affiliated business entities, retain a pecuniary interest in the property at that location.

(12) *Appeals. The procedures set forth in Section 9-103 ("Enforcement and Appeals") shall apply to the suspension of any license required by subsection (2) for a dealer in precious metals.*

SECTION 3. Effective Date. This Ordinance shall take effect immediately.

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**Explanation:**

[Brackets] indicate matter deleted.  
*Italics* indicate new matter added.