

CITY OF SOMERVILLE

ORDINANCE NO. 2021-_____

In City Council _____

Be it ordained by the Somerville City Council, in session assembled, that Sections 8-60-8-72 of Chapter 8 of the Code of Ordinances of the City of Somerville, are hereby stricken in their entirety and replaced with the following:

Article III. – Junk Dealers - Secondhand Goods, Consignment, Pawnbroking

Sec. 8-60. Definitions

Second hand dealer is a person who purchases used or second-hand personal property for the purpose of resale; provided that a person who purchases only automobiles, books, prints, coins or postage stamps shall not be considered a second hand dealer for purposes of this article.

Consignment dealer is a person who, without taking ownership of used or second-hand personal property, displays said personal property for sale and, only upon sale of the item, delivers any payment, as agreed, to the owner.

Pawnbroker is a person who loans money on deposits or pledges of wearing apparel, jewelry, ornaments, household goods or other personal property, or purchases such property on condition of selling the same back again at a stipulated price, when the property so mortgaged, pledged or purchased is deposited with the pawnbroker, provided that a person who loans money on the security of stocks, bonds, notes or other written evidence of ownership shall not be considered a pawnbroker for purposes of this article.

Precious item is any item made of or containing any gold, silver, platinum or other precious metal, or any item identified with a serial number or engraving, including but not limited to electronic items and communications devices, or any item that is marked with a unique identifier by its creator, manufacturer, or owner. No automobile, stock, bond, note or other written evidence of ownership shall be considered a precious item for purposes of this article.

Sec. 8-61. License required.

It shall be unlawful for any person operating as a second hand dealer to purchase any precious item without first obtaining a junk dealer's license from the city council.

It shall be unlawful for any person to operate as a pawnbroker without first obtaining a junk dealer's license from the city council.

An applicant for a junk dealer license shall file an application on a form prescribed by the city clerk. The application form shall require the applicant to provide information regarding the existence of consumer complaints against the applicant and authorization to submit to a CORI check. The fees for such license shall be set by the city council. Each junk dealer license shall continue in force until the following April 30, unless sooner revoked.

No license issued under this article shall be transferable.

The city council may modify, suspend, or revoke a junk dealer license for cause, after reasonable notice to the licensee of the grounds for the proposed action and the time and place of the hearing regarding such proposed action.

Sec. 8-62. Restriction on the purchase and sale of merchandise.

No second hand dealer, consignment dealer or pawnbroker shall purchase, accept for consignment, or accept as a deposit on a loan, any merchandise from anyone under the age of 18.

Every second hand dealer shall retain every precious item purchased for a minimum of 30 days before melting, changing the form of, selling, bartering, trading, displaying or otherwise disposing of it.

Every pawnbroker shall retain every item purchased, deposited or pledged pursuant to Sec. 8-65.

Sec. 8-63. Police inspection permitted.

Every second hand dealer, consignment dealer and pawnbroker shall, upon request, permit any Somerville police officer or any state trooper or any other municipal police officer or law enforcement official to examine all merchandise and all records related to any purchase, display, sale, loan, or disposal of any merchandise in the last three years.

Sec. 8-64. Required recordkeeping.

Every second hand dealer, consignment dealer and pawnbroker shall obtain from every customer selling, consigning, or pawning an item a valid photo identification issued by a governmental agency, including but not limited to a driver's license or passport, and shall verify that such identification matches said customer.

Every second hand dealer, consignment dealer and pawnbroker shall keep a record of all purchases, consignments, and loans. Said record shall be in a form approved by the police chief and shall include, at a minimum, a description, any serial number, engraving or other unique identifier, the customer's valid photo identification, the name, age, date of birth and current residence of the customer, the date and time of the transaction, and the amount paid or agreed upon for each item. In addition, every second hand dealer purchasing a precious item shall include in that record at least one digital photograph of the customer selling said precious item, said photograph of sufficient quality to allow a viewer to distinguish the customer's facial characteristics, and every pawnbroker shall include in that record at least one digital photograph of every customer selling or pawning an item, said photograph of the same quality.

Every second hand dealer shall electronically transmit to the police chief a copy of the record required by this section for the purchase of any precious item within 24 hours of the day the transaction is conducted, and every pawnbroker shall so transmit a copy of the record required by this section in the same manner.

Every second hand dealer, consignment dealer and pawnbroker shall retain this record, and all records of the purchase or loan of all merchandise, for a minimum of three years from the date of transaction.

Sec. 8-65. Pawnbroker restrictions.

The interest rate charged by a pawnbroker shall not exceed _____ [0% - 3%] per month.

Every pawnbroker shall, at the time of making a loan, provide the borrower with a signed memorandum containing the substance of the entry made in his or her records and an itemized list of the interest rate and any and all charges and fees to be assessed. No charge or fee for storage, care, or safe-keeping shall be imposed for any good, article or thing pawned, and no charge or fee may be levied by the pawnbroker that is not itemized in the memorandum.

Every pawnbroker shall retain every item purchased for a minimum of 30 days before melting, changing the form of, selling, bartering, trading, displaying or otherwise disposing of it.

Every pawnbroker shall retain every item deposited or pledged until redeemed or until four months have elapsed, except that perishable goods shall be retained until redeemed or until one month has elapsed. After the expiration of the applicable time period, a pawnbroker may sell the item at public auction, apply the proceeds thereof to the debt and the expense of the notice and sale, and pay any surplus to the former owner on demand. Prior to any sale under this section, the pawnbroker shall send written notice of said sale by certified mail to the owner of the merchandise to be sold, no less than 10 days before the sale.

Every pawnbroker shall at all times and in all respects comply with the provisions of G.L. c. 140 ss. 70 – 90.

Sec. 8-66. Penalties for violations.

Every person subject to this article who fails to comply with the provisions hereof shall be subject to a penalty in accordance with section 1-11 for each day of noncompliance, or in accordance with applicable state law.

Approved:

President, City Council

Approved:

Mayor