

ORDINANCE NO. 12- 13

**AN ORDINANCE OF MADISON COUNTY, KENTUCKY REGULATING
PAWNBROKERS, JEWELRY STORES, DEALERS IN PRECIOUS METALS,
JUNK DEALERS, SCRAP METAL DEALERS, SECOND HAND STORES AND
SECOND HAND DEALERS CONDUCTING BUSINESS
WITHIN IN MADISON COUNTY, KENTUCKY**

WHEREAS, the Kentucky legislature has enacted Chapter 226 of the Kentucky Revised Statutes, a chapter which governs the business of pawnbrokers throughout the Commonwealth of Kentucky; and

WHEREAS, Kentucky Revised Statutes Section 226.040 is the section within Chapter 226 which sets forth various record-keeping requirements applicable to the conduct of the pawnbroker business throughout the Commonwealth; and

WHEREAS, the Fiscal Court of Madison County, Kentucky finds it to be in the public interest that the provisions regarding such record-keeping be set forth with greater particularity so as to assist County law enforcement personnel in the discharge of their official duties;

NOW, THEREFORE, BE IT ORDAINED as follows:

SECTION I

Definitions

The following words and terms when used in this ordinance shall have the following meanings unless the context clearly requires otherwise:

- (1) "Consignment" shall mean a transaction in which a person/bailor delivers goods to a merchant for the purpose of sale and the merchant acts as the bailee or agent for the goods and markets such goods for sale on behalf of the person/bailor. The merchant does not acquire ownership or title to such goods at any time, but may receive a commission upon sale of the consigned goods.
- (2) "Jewelry Store" and "Dealers in Precious Metals" shall mean any person or entity which engages in the business of buying, other than from a wholesale seller, jewels, jewelry, and/or precious metals.
- (3) "Junk Dealer" shall mean any person or entity engaged in the business of operating a junk yard.
- (4) "Junk Yard" shall mean any land, building, structure, enclosure, or site where waste materials are purchased, collected, or processed for the purpose of resale, barter, or exchange, not including, however, any facility which receives waste materials only from one or more local governments and not from any private persons or entities.

(5) "Licensee" shall mean any person or entity operating as a jewelry store, dealer in precious metals, junk dealer, scrap metal dealer, second hand store, or second hand dealer.

(6) "Scrap Metal" shall mean any waste and/or new metal products including, but not limited to, old, unwanted metal, parts of vehicles, building supplies, wrought iron, wiring, piping, copper tubing, aluminum (except aluminum cans), steel, and surplus metal materials of all kinds.

(7) "Scrap Metal Dealer" shall mean any person or entity engaged in the business of purchasing and/or selling scrap metal.

(8) "Scrap Yard" shall mean any premises where a business or entity is located which deals in the purchase and/or sale of scrap metal.

(9) "Second Hand Dealer" shall mean any person or entity engaged in the business of selling used automobile parts, trailers, or other used motor vehicle parts.

(10) "Second Hand Store" shall mean any person or entity engaged in the purchase and/or sale of previously used items including, but not limited to, appliances, refrigerators, stoves, power tools, athletic equipment, washing machines, dryers, electronic instruments and equipment such as televisions, computers and computer equipment, electronic communication devices, cellular telephones, music devices, stereos, musical instruments, textbooks, cameras, electronic games or gaming devices, DVD's, gift cards, watches, coins, knives, or firearms, but not persons or entities involved exclusively in the purchase and/or sale of used clothing, Goodwill Industries, and other charitable organizations.

(11) "Textbook" shall mean a book or literary work used in the study of a subject through an educational course offered by an institution of higher learning located in Madison County, Kentucky.

SECTION II

License Required

No person or entity shall engage in the business of a jewelry store, dealer in precious metals, junk dealer, scrap metal dealer, second hand dealer, or second hand store without first having obtained all licenses required for the operation of such a business from the Madison County Office of Planning and Development.

SECTION III

Records; Daily Reports to Police Department

All Jewelry Stores, Dealers in Precious Metals, Junk Dealers, Scrap Metal Dealers, Second Hand Dealers, and Second Hand Stores, as those terms are defined herein, shall keep a record of their transactions involving the purchase of jewels, jewelry, precious metals (in whatever form), scrap metal, power tools, televisions, computers and computer equipment, music devices, stereos, musical instruments, and firearms. No such purchase shall be made unless the seller shall present his or her driver's license or other government identification card.

Such records shall contain the following information:

- (1) The name, address, date of birth, telephone number, type of identification card presented, and identification card number.
- (2) Date and time of purchase/exchange of the item.
- (3) A detailed description of the article or articles purchased, including any manufacturer's name, identification numbers, serial number, model number, any identifying marks, and a description sufficiently detailed to distinguish the specific article from other articles of a like kind.
- (4) The signature of the licensee and the seller, both executed at the time of the purchase.
- (5) A photocopy, or clear copy produced by a computer scanner of the seller's driver's license, state identification card, or other government identification card.
- (6) A digital photograph of the seller's face.
- (7) Except as to textbooks as hereinabove defined, a digital photograph of the article or articles purchased by the licensee.

These records shall be retained for a minimum of one year from the date of the transaction and shall be available for inspection by any law enforcement officer in the discharge of his or her official duties at all times during the business hours of the licensee. Except as to textbooks as hereinabove defined, all licensees shall further make a daily report, on or before 11:00 a.m. as to each transaction which took place during the 24 hour period ending at 10:00 a.m. that day, with Leads Online, or such other database as many from time to time be designated by the Madison County Sheriff's Office, of every transaction subject to this record-keeping requirement, such report to contain the information set forth in sub-sections (1), (2), and (3), above.

SECTION IV

Tagging of Merchandise; Restrictions on Resale or Changes in Condition of Articles

Except as to textbooks as hereinabove defined and as to CD's, DVD's and electronic games which bear no identifying markings other than the markings of the manufacturer, articles purchased or taken in exchange by a licensee shall be retained by the licensee, on the premises of the licensee and in the same state or condition as when received, for at least fourteen days before any disposal, sale, or other disposition. A tag shall be attached to the article in a visible and convenient place with a number written thereon corresponding to the entry number on the report required by this Ordinance. All such articles shall be available for inspection by any law enforcement officer in the discharge of his or her official duties at all times during the business hours of the licensee.

SECTION V

Penalties

Any person who shall violate any provision of the foregoing shall be guilty of a misdemeanor and subject to a fine not less than \$250.00 or more than \$500.00. The license of any person or entity convicted of three offenses under this Ordinance shall be revoked, and the person or entity shall thereafter not carry on the business of a jewelry store, dealer in precious metals, junk dealer, scrap metal dealer, second hand store, or second hand dealer, whether as an individual, a partner, a sole proprietor, a member of a limited liability company, a principal or shareholder in a corporation, or in any other business form or entity, within Madison County.

SECTION VI

That the County Clerk causes this ordinance to be published in accordance with the appropriate Kentucky Revised Statues.

Date of First Reading: December 18, 2012

Motion By: Roger Barger

Second By: Greg King

VOTE: YES NO

Judge, Kent Clark ✓
Magistrate, Larry Combs ✓
Magistrate, Roger Barger ✓
Magistrate, Greg King ✓
Magistrate, Billy Ray Hughes ✓

Date of Second Reading: January 8, 2013

Motion By: Greg King

Second By: Billy Ray Hughes

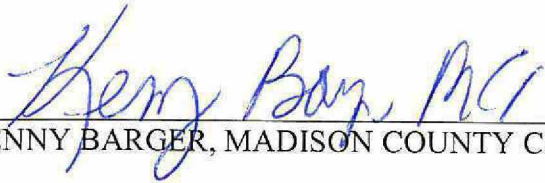
VOTE: YES NO

Judge, Kent Clark ✓
Magistrate, Larry Combs ✓
Magistrate, Roger Barger ✓
Magistrate, Greg King absent
Magistrate, Billy Ray Hughes ✓



MADISON COUNTY JUDGE EXECUTIVE

Attest:



KENNY BARGER, MADISON COUNTY CLERK