

CHAPTER 10

Pawnbrokers and Secondhand Article and Jewelry Dealers

7-10-1	Definitions
7-10-2	License for Pawnbroker
7-10-3	License for Secondhand Article Dealer
7-10-4	License for Secondhand Jewelry Dealer
7-10-5	License Application
7-10-6	Investigation of License Applicant
7-10-7	License Issuance
7-10-8	Pawnbroker and Dealer Requirements
7-10-9	Secondhand Article Dealer Mall or Flea Market
7-10-10	License Revocation
7-10-11	Fees
7-10-12	Penalty

SEC. 7-10-1 DEFINITIONS.

In this Chapter:

- (a) **Article** means any of the following articles except jewelry:
- (1) Audio-visual equipment;
 - (2) Bicycles;
 - (3) China;
 - (4) Computers, printers, software and computer supplies;
 - (5) Computer toys and games;
 - (6) Crystal;
 - (7) Electronic equipment;
 - (8) Fur coats and other fur clothing;
 - (9) Ammunition and knives;
 - (10) Microwave ovens;
 - (11) Office equipment;
 - (12) Pianos, organs, guitars and other musical instruments;
 - (13) Silverware and flatware;
 - (14) Small electrical appliances;
 - (15) Telephones.
- (b) **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.
- (c) **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.
- (d) **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.

- (e) **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.
- (f) **Secondhand** means owned by any person, except a wholesaler, retailer or secondhand article dealer or secondhand jewelry dealer licensed under this Chapter, immediately before the transaction at hand.
- (g) **Secondhand Article Dealer** means any person who primarily engages in the business of purchasing or selling 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 for which the person is licensed under Sections 7-10-2 and 7-10-4 or while engaged in the business of junk collector, junk dealer, auctioneer or scrap processor or described in Sec. 70.995(2) (x), Wis. Stats.
 - (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 which 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 which the person bought from a charitable organization if the secondhand article was a gift to the charitable organization.
- (h) **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.
 - (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 different, new jewelry.
 - (5) Any transaction as a purchaser of secondhand jewelry from a charitable organization if the secondhand jewelry was a gift to the charitable organization.
 - (6) Any transaction as a seller of secondhand jewelry which the person bought from a charitable organization if the secondhand jewelry was a gift to the charitable organization.

SEC. 7-10-2 LICENSE FOR PAWNBROKER.

No person may operate as a pawnbroker unless the person first obtains a pawnbroker's license under this Chapter.

SEC. 7-10-3 LICENSE FOR SECONDHAND ARTICLE DEALER.

- (a) Except as provided in Subsection (b), no person may operate as a secondhand article dealer unless the person first obtains a secondhand article dealer's license under this Chapter.
- (b) A person who operates as a secondhand article dealer only on premises or land owned by a person having a secondhand dealer mall or flea market license under Section 7-10-9 need not obtain a secondhand article dealer's license.

SEC. 7-10-4 LICENSE FOR SECONDHAND JEWELRY DEALER.

No person may operate as a secondhand jewelry dealer unless the person first obtains a secondhand jewelry dealer's license under this Chapter.

SEC. 7-10-5 LICENSE APPLICATION.

A person wishing to operate as a pawnbroker, secondhand article dealer or secondhand jewelry dealer in the Village shall apply to the Village Clerk-Treasurer for a license. The Clerk-Treasurer shall furnish application forms which shall require the following:

- (a) The applicant's name, place and date of birth and residence address.
- (b) The names and addresses of the business and of the owner of the business premises.
- (c) A statement as to whether the applicant has been convicted within the preceding ten (10) years of a felony or within the preceding five (5) years of a misdemeanor, statutory violation punishable by forfeiture or county or municipal ordinance violation in which the circumstances of the felony, misdemeanor or other offense substantially relate to the circumstances of the licensed activity and, if so, the nature and date of the offense and the penalty assessed.
- (d) Whether the applicant is a natural person, corporation or partnership, and:
 - (1) If the applicant is a corporation, the state where incorporated and the names and addresses of all officers and directors.
 - (2) If the applicant is a partnership, the names and addresses of all partners.
- (e) The name of the manager or proprietor of the business.
- (f) Any other information that the Village Clerk-Treasurer may reasonably require.

SEC. 7-10-6 INVESTIGATION OF LICENSE APPLICANT.

The Police Department shall investigate each applicant for a pawnbroker's secondhand article dealer's or secondhand jewelry dealer's license to determine whether the applicant has been convicted within the preceding ten (10) years of a felony or within the preceding five (5) years of a misdemeanor, statutory violation punishable by forfeiture or county or municipal ordinance violation described under

Section 7-10-5(c) and, if so, the nature and date of the offense and the penalty assessed. The Police Department shall furnish the information derived from that investigation in writing to the Village Clerk-Treasurer.

SEC. 7-10-7 LICENSE ISSUANCE.

- (a) The Village Board shall grant the license if all of the following apply:
 - (1) The applicant, including an individual, a partner or an officer, director or agent of any corporate applicant, has not been convicted within the preceding ten (10) years of a felony or within the preceding five (5) years of a misdemeanor, statutory violation punishable by forfeiture or county or municipal ordinance violation in which the circumstances of the felony, misdemeanor or other offense substantially relate to the circumstances of being a pawnbroker, secondhand jewelry dealer, secondhand article dealer or secondhand article dealer mall or flea market owner.
 - (2) With respect to an applicant for a pawnbroker's license, the applicant provides to the Village a bond of Five Hundred Dollars (\$500.00), with not less than two (2) sureties, for the observation of all Village ordinances relating to pawnbrokers.
- (b) No license issued under this Section may be transferred.
- (c)
 - (1) Each license for a pawnbroker, secondhand article dealer or secondhand jewelry dealer is valid from January 1st until the following December 31st.
 - (2) Each license for a secondhand article dealer mall or flea market is valid for two (2) years, from May 1st of an odd-numbered year until April 30th of the next odd-numbered year.

SEC. 7-10-8 PAWNBROKER AND DEALER REQUIREMENTS.

- (a) **Identification.** No pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from a customer without first securing adequate identification from the customer. At the time of the transaction, the pawnbroker, secondhand article dealer or secondhand jewelry dealer shall require the customer to present one of the following types of identification:
 - (1) A county identification card.
 - (2) A state identification card.
 - (3) A valid Wisconsin motor vehicle operator's license.
 - (4) A valid motor vehicle operator's license, containing a picture, issued by another state.
 - (5) A military identification card.
 - (6) A valid passport.
 - (7) An alien registration card.
 - (8) A senior citizen's identification card containing a photograph.
 - (9) Any identification document issued by a state or federal government, whether or not containing a picture, if the pawnbroker, secondhand article dealer or secondhand jewelry dealer obtains a clear imprint of the customer's right index finger.

(b) **Transactions with Minors.**

- (1) Except as provided in Subsection (b)(2) below, no pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from any minor.
- (2) A pawnbroker, secondhand article dealer or secondhand jewelry dealer may engage in a transaction described under Subsection (b)(1) above, if the minor is accompanied by his or her parent or guardian at the time of the transaction or if the minor provides a pawnbroker, secondhand article dealer or secondhand jewelry dealer with the parent's or guardian's written consent to engage in the particular transaction.

(c) **Records.**

- (1) Except as provided in Subsection (b), each transaction of purchase, receipt or exchange of any secondhand article or secondhand jewelry from a customer, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall require the customer to complete and sign, in ink, the appropriate form. No entry on such a form may be erased, mutilated or changed. The pawnbroker, secondhand article dealer or secondhand jewelry dealer shall retain an original and a duplicate of each form for not less than one (1) year after the date of the transaction except as provided in Subsection (e), and during that period shall make the duplicate available to any law enforcement officer for inspection at any reasonable time.
- (2) For every secondhand article purchased, received or exchanged by a secondhand article dealer from a customer off the secondhand article dealer's premises or consigned to the secondhand article dealer for sale on the secondhand article dealer's premises, the secondhand article dealer shall keep a written inventory. In this inventory, the secondhand article dealer shall record the name and place of the transaction and a detailed description of the article which is the subject of the transaction. The customer shall sign his or her name on a declaration of ownership of the secondhand article identified in the inventory and shall state that he or she owns the secondhand article. The secondhand article dealer shall retain an original and a duplicate of each entry and declaration of ownership relating to the purchase, receipt or exchange of any secondhand article for not less than one (1) year after the date of the transaction except as provided in Subsection(e and shall make duplicates of the inventory and declarations of ownership available to any law enforcement officer for inspection at any reasonable time.

(d) **Holding Period.**

- (1) Except as provided in Subsection (d)(5), any secondhand article purchased or received by a pawnbroker shall be kept on the pawnbroker's premises or other place for safekeeping for not less than thirty (30) days after the date of purchase or receipt, unless the person known by the pawnbroker to be the lawful owner of the secondhand article or secondhand jewelry recovers it.
- (2) Except as provided in Subsection (d)(5), any secondhand article purchased or received by a secondhand article dealer shall be kept on the secondhand article dealer's premises or other place for safekeeping for not , less than ten (10) days after the date of purchase or receipt.
- (3) Except as provided in Subsection (d)(5), any secondhand jewelry purchased or received by a secondhand jewelry dealer shall be kept on

- the secondhand jewelry dealer's premises or other place for safekeeping for not less than fifteen (15) days after the date of purchase or receipt.
- (4) During the period set forth in Subsections (d)(1), (2) and (3) above, the secondhand article or secondhand jewelry shall be held separate and apart and may not be altered in any manner. The pawnbroker, secondhand article dealer or secondhand jewelry shall permit any law enforcement officer to inspect the secondhand article or secondhand jewelry during this period. Within twenty-four (24) hours after a written request of a law enforcement officer during this period, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall make available for inspection any secondhand article or secondhand jewelry which is kept off the premises for safekeeping. Any law enforcement officer who has reason to believe any secondhand article or secondhand jewelry was not sold or exchanged by the lawful owner may direct a pawnbroker, secondhand article dealer or secondhand jewelry dealer to hold that secondhand article or secondhand jewelry for a reasonable length of time which the law enforcement officer considers necessary to identify it.
- (5) Subsections (d)(1)-(4) above do not apply to any of the following:
- a. A coin of the United States, any gold or silver coin or gold or silver bullion.
 - b. A secondhand article or secondhand jewelry consigned to a pawnbroker, secondhand article dealer or secondhand jewelry dealer.
- (e) **Report to Law Enforcement Agency.** With twenty-four (24) hours after purchasing or receiving a secondhand article or secondhand jewelry, a pawnbroker, secondhand article dealer or secondhand jewelry dealer shall make available, for inspection by a law enforcement officer, the original form or the inventory under Subsection (c) above, whichever is appropriate. Notwithstanding Sec. 19.35(l), Wis. Stats., a law enforcement agency receiving the original form or inventory or a declaration of ownership may disclose it only to another law enforcement agency.
- (f) **Exception for Customer Return or Exchange.** Nothing in this Section applies to the return or exchange, from a customer to a secondhand article dealer or secondhand jewelry dealer, of an, secondhand article or secondhand jewelry purchased from the secondhand article dealer or secondhand jewelry dealer.

SEC. 7-10-9 SECONDHAND ARTICLE DEALER MALL OR FLEA MARKET.

- (a) The owner of any premises or land upon which two (2) or more persons operate as secondhand article dealers may obtain a secondhand article dealer mall or flea market license for the premises or land if the following conditions are met:
- (1) Each secondhand article dealer occupies a separate sales location and identifies himself or herself to the public as a separate secondhand article dealer.
 - (2) The secondhand article dealer mall or flea market is operated under one (1) name and at one (1) address, and is under the control of the secondhand article dealer mall or flea market license holder.
 - (3) All sales are completed at a central location under the control of the secondhand article dealer mall or flea market license holder, who maintains a record of all sales.

- (b) The secondhand article dealer license holder and each secondhand article dealer operating upon the premises or land shall comply with Section 7-10-8.

SEC. 7-10-10 LICENSE REVOCATION.

The Village Board may revoke any license issued by it under this Section for fraud, misrepresentation or false statement contained in the application for a license or for any violation of this Chapter or Secs. 943.34, 948.62 or 948.63, Wis. Stats.

SEC. 7-10-11 FEES.

The annual license fees under this Chapter are:

- (a) For a pawnbroker's license: Two Hundred Ten Dollars (\$210.00).
- (b) For a secondhand article dealer's license: Twenty-seven and 501100 Dollars (\$27.50).
- (c) For a secondhand jewelry dealer's license: Thirty Dollars (\$30.00).
- (d) For a secondhand article dealer mall or flea market license: One Hundred Sixty-five Dollars (\$165.00).

SEC. 7-10-12 PENALTY.

- (a) Upon conviction for a first offense under this Chapter, a person shall forfeit not less than Fifty Dollars (\$50.00) nor more than One Thousand Dollars (\$1,000.00).
- (b) Upon conviction for a second or subsequent offense under this Chapter, a person shall forfeit not less than Five Hundred Dollars (\$500.00) nor more than Two Thousand Dollars (\$2,000.00).