

## TITLE IV

### BUSINESS REGULATIONS

#### CHAPTER 3

#### **PAWNBROKERS**

#### SECTIONS:

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#### **4-3-1: License Required** (Ord. 01-1996)

- A. It shall be unlawful for any person to engage in the business of being a pawnbroker as defined and regulated by C.R.S. 12-56-101, et. seq., without obtaining a license from the Town.
- B. Applications for licenses shall be submitted annually, on forms provided by the Town which may require all information necessary or convenient for the enforcement and administration of this Chapter accompanied by the following:
  - 1. An annual license fee in the amount of seventy-five dollars (\$75.00)(payable in advance).
  - 2. A good and sufficient bond, with surety, to be approved by the Town Attorney in the amount of two thousand dollars (\$2,000.00) conditioned upon the faithful observance of the requirements of this Chapter and of C.R.S. 12-56-101, et. seq. and for the safekeeping or return of all articles held on pledge by the pawnbroker.
  - 3. All risk property insurance insuring all pledged property against loss from fire, theft or other casualty.
- C. The Town, after receipt of any application, shall conduct an investigation to insure that the applicant and the application meet all of the requirements of this Chapter. If the Town determines that the application meets the requirements of this Chapter, it shall grant a license, which shall expire on December 31 of the year for which it is issued. In the

event the applicant or application does not meet all the requirements of the Chapter, the Town shall deny the license.

- D. All licenses shall be nontransferable.
- E. The Town Board may revoke any license, following notice to the licensee and a hearing, upon a finding that the licensee is in violation of any of the requirements of this Chapter.

**4-3-2: Requirements for Issuance of License**

- A. No license, required by this Chapter, shall be issued to or held by any of the following:
  - 1. Any person who is not of good moral character.
  - 2. Any corporation, any of whose officers, directors or stockholders holding over ten percent (10%) of the outstanding and issued capital stock, thereof, are not of good moral character.
  - 3. Any partnership, association or company, any of whose officers or any of whose members holding more than ten percent (10%) interest therein, are not of good moral character.
  - 4. Any person employed or assisted by or financed in whole or in part by any other person who is not of good moral character and reputation satisfactory to the Town.
  - 5. Any person, unless he is, with respect to his character, record and reputation, satisfactory to the Town.
- B. In making a determination as to character, when considering the conviction of a crime, the Town shall be governed by the provisions of C.R.S. 24-5-101.
- C. No license shall be issued for or used in connection with any premises licensed under the Colorado Beer Code or Colorado Liquor Code, or for any place of amusement or entertainment.

**4-3-3: Requirements for Pawnbroking**

- A. All Pawnbrokers shall comply with the requirements of C.R.S.12-56-101, et. seq., the requirements of this Chapter and of any regulations issued pursuant hereto.
- B. No Pawnbrokers shall acquire any property from any person who the pawnbroker knows has a reputation of being a thief or has been convicted

of theft or a similar offense without first notifying the Town Police Department.

- C. It shall be unlawful for any pawnbroker to be open for business on Sunday, New Year's Day, Memorial Day, Labor Day, Thanksgiving Day, Christmas Day or on any other day from nine (9:00) P.M. in the evening until eight o'clock (8:00) A.M. the following morning.
- D. No pawnbroker shall enter into any transaction with any person under the influence of alcohol or drugs.

**4-3-4: Hold Order**

Any Colorado peace officer may order a pawnbroker to hold any article in his custody for purposes of investigation of theft or similar offense by the police department. No sale or any disposition of any such article may be made until the hold order is vacated.

**4-3-5: Additional Regulations**

The Town may make such additional rules and regulations as are necessary and convenient for the administration and enforcement of this Chapter, including required forms and requirements for additional reports.

**4-3-6: Return of Stolen Property**

Notwithstanding any other provision of law, a pawnbroker who accepts in pledge any article as security for a loan from a person who is not the lawful owner thereof, shall obtain no interest in such article in derogation of the right of the lawful owner either by maturation of the loan, by transference of the pawn ticket to the pawnbroker, or otherwise, regardless of whether or not pawnbroker knew such person was not the lawful owner of the article. In the event of sale of such article to a third person, the pawnbroker shall be liable to the lawful owner of the article. The lawful owner of any such article may recover it from a pawnbroker, upon proof of ownership.

**4-3-7: Liability**

The licensee shall be liable for the loss or damage of any pledged article whether caused by fire, theft, or otherwise, resulting from his failure to exercise reasonable care, but shall not be liable, in the absence of an express agreement to the contrary, for the loss or damage to a pledged article, for injury which could not have been avoided by the exercise of such care. The pawnbroker shall maintain, at all times, casualty insurance insuring pledged property against loss or damage by fire, theft or other casualty.

**4-3-8: Right of Inspection**

For the purpose of administering and enforcing the requirements of this Chapter and C.R.S. 12-56-101, the Town shall have the right to enter upon the licensee's premises and to examine the books, accounts, papers, records and pledged property used or kept by any licensed pawnbroker or other person engaged in the business of pawn broking. If any licensee shall refuse such access or inspection, the Town shall have recourse, as provided by law, including obtaining a warrant from the Municipal Court. He may also issue a subpoena duces tecum for a hearing before the Town Board, which subpoena may be enforced by the District Court or other Court of competent jurisdiction.