



CITY CLERK'S OFFICE MEMORANDUM
#04-2019

DATE: February 25, 2019

TO: Honorable Mayor Carol Dodge and City Council Members

THROUGH: Heather Geyer, City Manager 

FROM: Johanna Small, City Clerk 

SUBJECT: CB-1921 – Pawnbroker Regulations

PURPOSE

To consider an ordinance amending Chapter 18, Article 3 of the Municipal Code regarding pawnbroker regulations.

The proposed ordinance:

- Allows pawnbroker businesses to operate on Sundays.
- Allows pawnbroker businesses to operate on holidays.
- Revises language regarding the fee a pawnbroker can charge a person to retrieve a pawned item to be consistent with State law.

BACKGROUND

Pursuant to Northglenn Municipal Code § 18-3-17, it is unlawful for any pawnbroker to operate during the following hours and on the following days:

- (1) After 9:00 p.m. and before 8:00 a.m.
- (2) On Sunday.
- (3) On January 1, commonly called New Year's Day; on the last Monday of May, commonly called Memorial Day; on July 4, commonly called Independence Day; on the first Monday of September, commonly called Labor Day; on Thanksgiving Day; and on December 25, Christmas Day.

The City exercised its local authority to license and regulate pawnbroker businesses in 1995 by the adoption of Ordinance No. 1131. The hour and day restrictions above were adopted at that time and have not been amended since then.

At a study session on January 28, 2019, staff presented a request from a lobbyist representing a local pawnbroker to allow pawnbroker businesses to be open on Sundays. Staff also requested Council to consider removing the restriction which prohibits pawnbroker businesses from operating on certain holidays. It was the consensus of Council to move forward with the request and a proposed ordinance, CB-1921, was presented to Council on first reading at the February 11, 2019 regular meeting.

The table on the following page provides information about other cities' regulations related to pawnbroker hours and permissible days of operation. Most pawnbroker businesses across the metro area close at 6:00 p.m. or 7:00 p.m. even if their municipality allows later operating hours.

Municipality	Prohibits Sundays?	Prohibits Holidays?	Hours of Operation
Boulder	No	No	No restrictions
Brighton	No	No	No restrictions
Commerce City	No	No	No restrictions
Denver	Yes	Yes	8:00 am – 6:00 pm Monday – Friday; 8:00 am – 7:00 pm Saturday Also prohibits the Monday following the Sunday on which any of the holidays fall
Englewood	Yes	No	8:00 am – 10:00 pm Monday – Saturday
Federal Heights	No	No	8:00 am – 10:00 pm
Lafayette	No	No	No restrictions
Northglenn	Yes	Yes	8:00 am – 9:00 pm Monday – Saturday
Thornton	No	No	8:00 am – 8:00 pm Monday – Friday & Sunday; 8:00 am – 9:00 pm Saturday
Westminster	No	No	No restrictions
Wheat Ridge	Yes	Yes	8:00 am – 9:00 pm Monday – Saturday

While reviewing the current pawnbroker ordinance, staff determined that language regarding the fee a pawnbroker can charge a person to retrieve a pawned item is inconsistent with State law. This fee is also known as a “fixed price.” Specifically, Section 18-3-14(g) of the Northglenn Municipal Code contains an amount a pawnbroker may charge that is more restrictive than State law, which is prohibited by C.R.S. § 29-11.9-102. Therefore, a revision is necessary to be consistent with State law. The new language will establish a fee that is the same, or as restrictive, as the State’s definition of “fixed price.”

Current “fixed price” Not to exceed one-tenth of the original purchase price for each month, plus the original purchase price on amounts of \$50 or over, or one-fifth of the original purchase price for each month, plus the original purchase price for each month, plus the original purchase price, on amounts under \$50.

Proposed “fixed price” Not to exceed one-fifth of the original purchase price for each month, plus the original purchase price.

STAFF RECOMMENDATION

Staff recommends approval of CB-1921.

BUDGET/TIME IMPLICATIONS

No budget implications have been identified. If CB-1921 is adopted on second reading, the ordinance will become effective five days after publication.

STAFF REFERENCE

Please contact Johanna Small, City Clerk, at jsmall@northglenn.org or 303.450.8757 with any questions or comments.

SPONSORED BY: MAYOR DODGE

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1921
Series of 2019

Series of 2019

A BILL FOR AN ORDINANCE AMENDING CHAPTER 18, ARTICLE 3 OF THE NORTHGLENN MUNICIPAL CODE CONCERNING PAWNBROKER REGULATIONS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 18-3-14(g) of the Northglenn Municipal Code is hereby amended to read as follows:

Section 18-3-14. Prohibited Acts.

(g) No pawnbroker, ~~employee~~, or agent of the pawnbroker shall ~~ask, demand or receive any greater rate of interest, commission and compensation than the total rate of one-tenth (1/10th) of the original purchase price for each month, plus the original purchase price, on amounts of fifty dollars (\$50.00) or over, or~~ ENTER INTO A CONTRACT WITH A CUSTOMER CONTAINING AN AGREED UPON AMOUNT TO CANCEL THE CONTRACT EXCEEDING one-fifth ~~(1/5th)~~ of the original purchase price for each month, ~~plus the original purchase price for each month, plus the original purchase price, on amounts under fifty dollars (\$50.00).~~ No other charges shall be made by the pawnbroker upon renewal of any contract for purchase or at any other time. In the event any such charges are made, the contract shall be void. Any contract for the payment of commissions by the customer for making a contract for purchase of tangible personal property shall be null and void.

The violation of the Section by an agent, or employee of a pawnbroker shall be deemed to be a violation of this Section by the pawnbroker.

Section 2. Section 18-3-17 of the Northglenn Municipal Code is hereby amended to read as follows:

Section 18-3-17. Hours of Pawnbrokers. It shall be unlawful for any pawnbroker to operate ~~during the following hours and on the following days:~~

____(1)____ After 9:00 p.m. and before 8:00 a.m.

____(2)____ ~~On Sunday.~~

~~(3) On January 1, commonly called New Year's Day; on the last Monday of May, commonly called Memorial Day; on July 4, commonly called Independence Day; on the first Monday of September, commonly called Labor Day; on Thanksgiving Day; and on December 25, Christmas Day.~~

INTRODUCED, READ AND ORDERED POSTED this 11th day of February, 2019.


CAROL A. DODGE
Mayor

ATTEST:


JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____, 2019.

CAROL A. DODGE
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:


COREY Y. HOFFMANN
City Attorney