



TO: Mayor Anna Allen and Members of Windsor Town Council

SUBMITTED BY:



Louis Coutinho, CAO

DATE: 15 October 2018

SUBJECT: **Pawnbrokers By-Law**

ORIGIN

RCMP Business Plan 2018-2019.
Information Report on Pawn Brokers By-Law 11 September 2018
COTW Meeting of 09 October 2018

LEGAL AUTHORITY

Pursuant to Sections 172 (1) (i) in the MGA, councils are permitted to make laws for municipal purposes, requiring that pawnbrokers report all transactions by pawn or purchase. (Chapter 18, of the Act of 1998, as amended in 2017)

RECOMMENDATION

It is recommended that Council give First Reading to the Pawnbrokers Bylaw.

BACKGROUND

The Nova Scotia Department of Justice, in a discussion paper in May 2006 entitled “Pawn Shop, Buy-Sell and Second Hand Business Legislation” noted that in 2004 the population of Nova Scotia was 936,960 and the number of property-related crimes in Nova Scotia was 36,482 – these numbers, provided by Statistics Canada, included break and enters, thefts from motor vehicles and shoplifting but did not include robberies. The property loss to Nova Scotia citizens each year is a multi-million dollar figure. The police in the province were asking for better legislation to regulate pawnbroker businesses.

Pawnbrokers and similar businesses provide a legitimate service, however they often obtain their merchandise from unregulated or unknown sources. This can provide an opportunity for criminals to dispose of stolen items by converting them to cash. In turn, customers may be unknowingly purchasing stolen goods.



DISCUSSION

The Town recognizes that the transition from the present no reporting of pawn transactions to mandatory tracking and registering of transactions is a step in the right direction. The changes should not be onerous on any pawn broker as this protects both the pawnbroker and those dealing with him/her.

The public has an interest in knowing that when they purchase items from these businesses that they are not buying stolen property. The police also have an interest in locating stolen items. Those affected by these crimes may benefit in retrieval of stolen goods. Pawn businesses may be interested in improving the image of their businesses and in protecting themselves from being used to fence stolen goods. The computer system or manual collection of data that would be used for reporting can also provide inventory information for the business.

Other businesses in our region may also have an interest in this type of legislation, as sales of stolen items may take away legitimate sales opportunities and, if the legislation is effective, insurance claims for property crime may drop. The police will benefit from an additional investigative tool, and both the police and the public would benefit if such a system is a deterrent to property crime.

POLICY IMPLICATIONS

The proposed bylaw will be advertised for Second Reading which will take place at a public hearing at the next Council meeting on 27 November 2018 at which time council can review any written submissions or representations from the community input into any changes they would like Council to consider.

BUDGET IMPLICATIONS

There will be some administrative time for the initial processing and development of a licensing regime if necessary.

ATTACHMENTS

Proposed Town of Windsor By-Law # 45 Pawnbrokers

Additional copies of this report, and information on its status, can be obtained by contacting the Coordinator to the CAO at (902) 798-1355 or Fax 798-5679
Report Prepared by: Louis Coutinho, CAO



TOWN OF WINDSOR BYLAW # 45 PAWNBROKERS BYLAW

AUTHORITY

Pursuant to Sections 172 (1) (i) in the *Nova Scotia Municipal Government Act*, councils are permitted to make bylaws for municipal purposes, requiring that pawnbrokers report all transactions by pawn or purchase. (Chapter 18, of the Act of 1998, as amended 2017).

TITLE

45.01 This bylaw is entitled "Pawnbrokers Bylaw."

DEFINITIONS

45.02 In this Bylaw:

"Pawnbroker" means a person or company which engages in the business of granting credit to individuals for personal, family, or household purposes and who (a) takes and perfects security interests in consumer goods by taking possession of them, or (b) purchases consumer goods under agreement(s) or undertakings, express or implied, that the goods may be repurchased by the sellers.

"Pledged" means an item/thing given as security on a loan and/or for the fulfillment of a contract or the payment of a debt and is liable to forfeiture in the event of failure.

"Purchase" means taking by sale, lease, discount, assignment, negotiation, mortgage, pledge, lien, issue, reissue, gift, or any other consensual transaction creating an interest in property.

FOR THE REGULATION OF PAWNBROKERS

45.03 Every person or company undertaking to do business as a pawnbroker shall, keep exhibited in large legible characters on a sign on the front of the place in which he/she is operating as a pawnbroker, his or her or the operating company name and the word "Pawnbroker".

- 45.04 Every pawnbroker shall keep a book and/or computer-based program, hereinafter called the "Register of Pledges", in which shall be clearly written in ink (or typed), at the time each loan is made, an accurate account and description, in English language, of the goods, articles, and things pawned or pledged, and a statement of any descriptive numbers or marks thereon, the time of pledging the same, the rates of charges to be paid on the loan, and the name and place of residence and a detailed personal description of the person pawning or pledging the goods, articles, or things. No entry made in the book and/or computer-based program shall be erased/deleted, obliterated, or defaced, and no leaves shall be torn out. The pages of the book shall be of such size as the RCMP shall, from time to time, determine and shall be ruled and captioned in the form following:
- No. of Pawn Ticket
 - Amount Loaned
 - Rate of Charge
 - Description of Articles including model and serial numbers
 - Name with the Civic & Mailing Address of the Person(s) Pledging
 - Telephone Number of the Person(s) Pledging
 - Age
 - Height – Ft. in (Approximate)
 - Provincial Identification (i.e. Driver's license, healthcard, etc)
 - Date and time received
 - Particulars of Redemption of Sale
- 45.05 Every pawn broker shall, at the time of each loan or exchange, deliver to the person pawning or pledging any goods, articles, or thing, a memorandum, note, or ticket signed by him/her, containing the substance of the entry required to be made in his Register of Pledges by the last preceding section. No charge shall be made or received by any pawnbroker for any such entry, memorandum, note, or ticket.
- 45.06 The said Register of Pledges, as well as every article or thing pawned or pledged, shall at all reasonable time be open to the inspection of the RCMP or of any member of the Police Force.
- 45.07 Immediately after the redemption or sale of any pawned article, the pawnbroker shall make, or cause to be made an entry in the Register of Pledges showing by whom said articles were redeemed or purchased, the residence, telephone number and description of said person, and the date of such redemption or purchase.
- 45.08 No pawnbroker shall take or receive in pawn or pledge for money loaned, any property, bonds, notes, securities, article, or thing produced or presented by any person under the age of 18 years.
- 45.09 No pawnbroker shall employ any person under the age of 18 years to take pledges in pawn.

45.10 No pawnbroker shall take any article in pawn from any person appearing to be intoxicated nor from any person whom he/she knows to be a thief or to have been convicted of larceny or burglary.

45.11 No pawnbroker shall undertake or be permitted to carry on the business of an auctioneer.

45.12 No pawnbroker shall purchase or take in a pawn ticket issued by any other pawnbroker.

45.13 No pawnbroker shall:

- (a) under any pretence purchase, except at public auction, any pledge while in pawn with him/her; or
- (b) suffer any pledge while in pawn with him/her to be redeemed with a view to persons purchasing it; or
- (c) make any contract or agreement with any person pawning or offering to pawn any article, or with the owner thereof for the purchase, sale or disposition thereof, within the time of redemption; or
- (d) sell or otherwise dispose of any pledge pawned with him/her except at such time and in such manner as is authorized by this By-law; or
- (e) take in pawn from any person any naval or military medal, badge, decoration, or order.

45.14 Any pledge may be disposed of by the pawnbroker, 30 days from the date on which it was pawned, provided however that such pledge shall continue to be redeemable until it is so disposed of, although the period of redemption has expired.

Clerk's Annotation for Official By-law Book

Date of first reading of bylaw: _____
Date of advertisement of Notice of Intent to Consider: _____
Date of second reading of bylaw: _____
Date of advertisement of Passage of Bylaw: _____
Date of mailing to Minister a certified copy of Bylaw: _____

I certify that this PAWNBROKERS BYLAW was adopted by Council and published as indicated above.

Shelleena Thornton
Municipal Clerk
Town of Windsor