

ORDINANCE No. 118831

ME

Law Department

COUNCIL BILL No. 111987

The City of Seattle

AN ORDINANCE relating to pawnshops; extending the limitation of pawnbrokers endorsements issued; and amending the Seattle Municipal Code section 6.288.065.



OK

Honorable President:

Your Committee on _____

to which was referred the within report that we have considered the

COMPTROLLER FILE No. _____

Introduced: <u>NOV 24 1997</u>	By: <u>NOLAND</u>
Referred: <u>NOV 24 1997</u>	To: <u>FULL COUNCIL</u>
Referred:	To:
Referred:	To:
Reported:	Second Reading:
Third Reading: <u>12-1-97</u>	Signed: <u>12-1-97</u>
Presented to Mayor: <u>12-1-97</u>	Approved: <u>DEC - 1 1997</u>
Returned to City Clerk: <u>DEC - 1 1997</u>	Published: <u>full 2 pgs.</u>
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained:

12-1-97 Full Council

Department

The City of Seattle--Legislative Department

RECEIVED
Date Reported
and Adopted

REPORT OF COMMITTEE

NOV 24 1997

City President:

JANE N. J
COUNCIL MEMBER

Committee on _____

_____ was referred the within Council Bill No. _____

_____ that we have considered the same and respectfully recommend that the same:

-97 Full Council Action: Passed As Amended

8-0

FILED
CITY OF SEATTLE
NOV 24 1997
GILL CLEMM

Committee Chair

ORDINANCE 118831

AN ORDINANCE relating to pawnshops; extending the limitation of pawnbrokers endorsements issued; and amending the Seattle Municipal Code section 6.288.065.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Section 6.288.065 is amended as follows:

6.288.065 Pawnbrokers--Limitation on numbers.

A. ~~((Until January 1, 1998, only a limited number of Pawnbroker endorsements may be issued for the conduct of pawnbroker businesses at locations not licensed for pawnbroker activity on the effective date of the ordinance codified in this section. That limited number of new location Pawnbroker endorsements shall be not greater than twenty five percent (25%) of the number of lawful Pawnbroker endorsements existing on the effective date of the ordinance codified in this section. If not already a whole number, this growth limitation shall be rounded up to the nearest whole number. Moreover, from December 26, 1994, until January 1, 1996, no more than two (2) Pawnbroker endorsements shall be issued for the conduct of pawnbroker business at locations not licensed for pawnbroker activity on December 25, 1994.))~~ From January 1, 1996, until January 1, ~~((1998))~~ 2000 no more than two (2) Pawnbroker endorsements shall be issued in each calendar year for the conduct of pawnbroker businesses at locations not licensed for pawnbroker activity on December 31st of the immediately preceding year.

B. Notwithstanding anything contained in subsection A of this section, no Pawnbroker endorsement shall be issued for the conduct of a pawnbroker business at a location not licensed for pawnbroker activity in the previous year if, on the March 30th next preceding the effective date of the license for which the Pawnbroker endorsement is sought, the number of locations licensed for pawnbroker

1 activity exceeds one (1) for every fifteen thousand (15,000) inhabitants of the City, as reflected in the then
2 most current final population figures available from the Washington State Office of Financial Management
3 or its functional successor. Subsections A and B shall not restrict reissuance of a Pawnbroker endorsement
4 to a new location.

5 C. The Chief of Police shall adopt and publicize a process for allocating new Pawnbroker
6 endorsements by chance if there are or there are reasonably expected to be more new applicants in a year or
7 other pertinent time period than the number of new endorsements permitted.

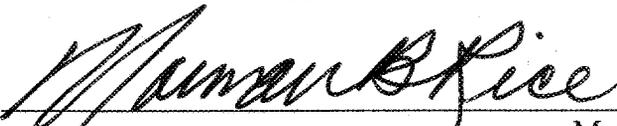
8 D. The Chief of Police shall report to the City Council's Public Safety Committee or its functional
9 successor during ((1997)) 1999 the status of its program for tracking pawn transactions and monitoring
10 pawnshop operations.

11 Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its
12 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after
13 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

14 Passed by the City Council the 1st day of December, 1997, and signed by me in opession
15 in authentication of its passage this 1st day of December, 1997.

16 
President _____ of the City Council

17 Approved by me this 1st day of December, 1997.

18 
Mayor

19 Filed by me this 1 day of December, 1997.

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City Clerk

22 (Seal)

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19 Mayor

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21 _____
22 City Clerk

23 (Seal)





City of Seattle

Norman B. Rice, Mayor

Seattle Police Department
Norm Stamper, Chief of Police

RECEIVED

NOV 25 1997

JANE NOLAND
COUNCILMEMBER

November 24, 1997

Jan Drago, President
Seattle City Council
Seattle, WA 98104

VIA OMP

Dear Council President Drago:

We request that the attached ordinance extending the current licensing limitation for pawn shops within the City of Seattle be introduced on November 24, 1997 and referred to Council of the Whole for passage on Monday, December 1, 1997. The current legislation will expire on December 31, 1997 unless new legislation is passed by the City Council thirty days prior to the end of the year.

Three years ago, the Seattle City Council passed a revision to the Used Goods Ordinance providing for the following: 1) established an eight month moratorium on licensing new pawn shops; 2) established a per capita restriction (1 shop per 15,000 residents) on the number of pawn shops in the City of Seattle; and, finally 3) established a lottery system for issuing new pawn licenses. In addition, the legislation limited the number of new pawn shops to two per year.

It is important that this ordinance limiting the number of new pawn shops to two per year be extended for another five (5) years. If the license limitation ordinance expires without successor legislation, there is a possibility of immediately increasing the number of pawn shops by ten. Within five years, and considering Seattle's projected population growth, the Department could be monitoring as many as forty pawn shops. The Property Recovery Squad is already struggling to keep up with the transactions of the twenty active pawn shops. The attached position paper provides additional background information on this issue.

We apologize for the short turnaround time for this legislative request. If you have any questions regarding this legislation, please contact Connie Curtin at 4-5764. Thank you for considering this request.

Sincerely,

Norm Stamper
Chief of Police

Seattle Police Department, 610 Third Avenue, Seattle, WA 98104-1886

An equal-employment opportunity, affirmative action employer. Accommodations for people with disabilities provided on request.

Call (206) 233-7203 at least two weeks in advance.



Letter to Council President Drago

11/24/97

Page 2

NS/clc

Attachments

cc: A/C Jim Deschane, Chief of Staff
A/C Ed Joiner, Investigations Bureau
Captain Dan Oliver, Property Crimes
Lt. John Carson, Property Crimes
Officer Tom Giboney, Property Crimes
Finance and Planning Section
Doug Carey, OMP
Lizanne Lyons, Mayor's Office

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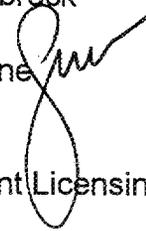
SEATTLE POLICE DEPARTMENT MEMORANDUM

TO: Councilmember Martha Choe
Councilmember Cheryl Chow
Councilmember Sue Donaldson
Councilmember Jan Drago
Councilmember Margaret Pageler
Councilmember Peter Steinbruck

DATE: 11/24/97

RECEIVED

NOV 25 1997

FROM: Assistant Chief Jim Deschane 
Chief of Police

JANE NOLAND
COUNCILMEMBER

SUBJECT: Ordinance Extending Current Licensing Limitation for Pawn Shops

On November 24, 1997 Councilmember Jane Noland is introducing the attached ordinance extending the time period for the limitation of new pawnbroker endorsements until 2003. The limitation is set to expire on December 31 of this year. Because of the 30-day ending, the only way to have the limitation continue without interruption is to have the legislation introduced on 11/24/97 and then passed by Council of the Whole on 12/01/97 and signed by the Mayor on the same day.

We are not aware of any opposition to this ordinance, as two new pawnbroker endorsements are still allowed each year via lottery. Attached for your review is a copy of the cover letter, issue paper, and ordinance on this issue.

This is a very important issue to the Police Department and we ask for your support on December 1. We would be pleased to respond to any questions you might have concerning this issue. Please contact Connie Curtin at 4-5764 if you have any questions or would like to schedule a briefing prior to December 1.

Thank you for considering our request. We apologize for any inconvenience this may cause.

Attachment

cc: A/C Jim Deschane file
A/C Ed Joiner
Captain Dan Oliver
Finance and Planning Section
Doug Carey, OMP
Councilmember Jane Noland

pawnmem





City of Seattle

Norman B. Rice, Mayor

Seattle Police Department
Norm Stamper, Chief of Police

November 24, 1997

Jan Drago, President
Seattle City Council
Seattle, WA 98104

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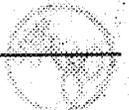
Sincerely,

A handwritten signature in black ink, appearing to read "A/C Stamper".

~~for~~ Norm Stamper
Chief of Police

Seattle Police Department, 610 Third Avenue, Seattle, WA 98104-1886

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Investigations Bureau, Property Crimes Section, Property Inspection Squad
Pawnshop Automated Reporting System Status Update
and
Pawnbroker Endorsement Limitation Issue Paper

Seattle Municipal Code 6.288.065.D:

“The chief of Police shall report to the City Council’s Public Safety Committee or its functional successor during 1997 on the status of its program for tracking pawn transactions and monitoring pawnshop operations.”

In response to this section of the SMC and a request received from the office of Jan Drago, Seattle City Council, we have prepared the following presentation of issues surrounding the status of the Pawnshop Automated Reporting System (PARS) and the scheduled end of the Pawnbroker Endorsement Limitation in January of 1998.

I. Current Status of the Pawnshop Automated Reporting System (PARS)

Recent work on the database averted loss of functionality due to system overload.

The database had grown to a size of approximately 117,000 transactions with a customer base of 67,500 names. In the first week of October 1997, the system began to experience failures resulting in unprocessed records and an inability to send data reliably to WACIC and NCIC. We were at the point where property items pawned and sold to the area pawn shops and used goods businesses were in danger of being sold or otherwise transferred out of the stores without having been checked for stolen status.

A similar situation occurred in August of 1996 when the database grew to 126,000 transactions with a customer base of 35,000 names. At that time, the Information Technology Section repaired the system by archiving the data from the database into a history file. The history file was made accessible by the use of a “run-time” version of PARS that allowed transaction historical records to be read and reports generated. This allowed the main PARS program to be used for entry of new records.

The recent repair of October 24, 1997 by personnel from the Information Technology Section was accomplished in the same fashion.

The above problems are symptomatic of a larger problem with the design of the program. As written, the program has the ability to handle only a limited number of transactions before performance degrades significantly. This degradation in performance translates into wasted man-hours and increased trouble calls to the computer help desk, not to mention the inability of the Property Inspection Squad to perform its budgeted responsibility of entering pawn transaction data in a timely manner.



Investigations Bureau, Property Crimes Section, Property Inspection Squad
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The Information Technology Section has initiated a contract with Excell Data Corporation of Bellevue to provide an analyst for consultation to evaluate long-term solutions to the problem. The goals that have been defined include:

1. Upgrading the Access (Microsoft Access Database software) version being used by PARS from version 2.0 to version 7.0. This will allow integration of PARS with the ongoing upgrade of the Seattle Police Department Local Area Network (LAN) to a Windows 95 platform running on a Windows NT Server System.
2. Porting the PARS database over to Microsoft Sequel Server (SQL). This is a more robust and solid database software and hardware solution that will not only handle the demands of the system currently, but will allow for future expansion and growth.
3. Evaluate and add usability features to improve efficiency of the PARS program itself. There have been a number of design changes requested that will provide for more efficient data entry, data editing and general improved user "friendliness".

The short-term problems have been addressed at this time and Property Inspection Squad personnel are again entering data on pawn transactions.

II. Workload as it relates to the Number of Pawn Endorsements Issued

The issue of workload involves many elements that in one-way or another relate to the amount of used goods properties that are pawned or sold to licensed businesses. In general, the percentage of property pawned that turns out to be stolen is relatively constant. As the number of pawn shops increase, the number of pawn transactions increase. It follows that as the number of pawn transactions increase, the amount of stolen property recovered increases.

<u>Year</u>	<u># of Pawn Transactions</u>	<u># of Pawnshops</u>	<u># of Prop. Recovery Files</u>
'94	60,000	16	
'95-'96	102,440	18	217
'96-'97	112,684	20	241
'97-'98	123,414	21	292
'98-'99	134,144*	23	318*
'98-'99	187,775**	33	419**
'98-'99	193,159***	36	456***

* estimated numbers based on increase of 2 pawnshops

** estimated numbers based on increase of 10 pawnshops

*** estimated numbers based on increase to total allowed number of pawnshops (36) if all were operating at current average levels of business.

As of 10-30-97 there are 26 pawnbroker endorsements that have been issued in the City of Seattle (attachment 1). There are 21 operating pawn shops in the City (attachment 1). In accordance with SMC 6.288.065.B, there are a maximum number of endorsements



Investigations Bureau, Property Crimes Section, Property Inspection Squad
Pawnshop Automated Reporting System Status Update
and
Pawnbroker Endorsement Limitation Issue Paper

allowed based on one licensed location for every 15,000 inhabitants of the city. The current population of the City of Seattle from the last census is 532,900. The ordinance therefore allows 36 pawnbroker endorsements to used goods dealers licenses. If the population increases significantly in the next five years, the number of pawnbroker licenses authorized will likewise increase. For example: a population increase of 25% will result in an additional ten (10) pawnbroker licenses being authorized.

SMC 6.288.065.A limits the number of endorsements that may be issued. "From January 1, 1996 until January 1, 1998, no more than two (2) pawnbroker endorsements shall be issued in each calendar year...". This limitation on the issuance of pawnbroker endorsements ends on January 1, 1998.

If the limitation is not extended, 10 pawnbroker endorsements remain to be issued in the first quarter of 1998.

There is a high demand for pawnbroker endorsements which exceeds the total number of endorsements available. In accordance with SMC 6.288.065.C, the Seattle Police Department held lotteries in 1995, 1996 and 1997, for the two (2) pawnbroker endorsements that were allowed each year. The table below shows the number of applicants that filed for those pawnbroker endorsements by year:

1995	20 Applicants	Drawing held 7-14-95
1996	48 Applicants	Drawing held 2-15-96
1997	40 Applicants	Drawing held 2-21-97

If all 10 endorsements are issued at one time, the impact on the Property Inspection Squad would be devastating:

1. Based on the current number of transactions we are averaging per pawn shop, an increase of 10 pawn shops in one year period could result in a 46% increase in Case Load for the Property Inspection Squad. This would require additional manpower or significant changes in how the Squad handles its cases.
2. **The data entry process in PARS is not totally automatic.** All data entry requires manual editing of the data to "clean it up" prior to downloading it into the database tables. Each entry has up to 44 separate fields that contain data. This can take as little as a few minutes to as much as an hour or more per batch depending on the number of transactions being downloaded and the proficiency of the pawnshop operators entering the data that goes into the disks provided to the police department.
3. Experience has shown that **it takes months of one-on-one instruction** involving Property Inspection Squad personnel with each pawn shop operator to get them "up-to-speed" on properly formatting data to meet the specifications for data entry into PARS. On average, a new pawn shop is not providing good, relatively clean data on a



Investigations Bureau, Property Crimes Section, Property Inspection Squad
Pawnshop Automated Reporting System Status Update
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consistent basis until 3 to 4 months after going "on-line" electronically. This process would be overwhelming if 10 new pawnshops chose to open their doors in the first quarter of 1998.

An increase of 46% in the number of transactions processed and number of investigative files worked would, without increased staffing, result in extremely high backlogs of unentered transactions and reduced efficiency in clearance of Detective investigations. Additional manpower and possibly more computer equipment would be required to remain "current" on data entry. The ability of the Property Inspection Squad personnel to keep up with data entry within the 30 day "window of opportunity" would be questionable, even with state-of-the-art hardware and software.

Recommendation

We are recommending that the number of pawnbroker endorsements issued be held to two per year until the total of 36 endorsements is reached.

This will reduce the impact of the increased workload by spreading it out over a 5 year period. During that extended period, the PARS software program can be upgraded to handle the increased load.

The manpower demands will at some point need to be addressed.

III. Proposed Legislation

The City Council Public Safety Committee has only one more scheduled meeting prior to the end of 1997. That meeting is scheduled for December 9, 1997.

Proposed Legislative change: See Attachment 2.

Customer Number	Legal Name	Address	Trade Name	Active/Open	Computer
188237	Bayside Gold & Diam Exchg Inc.	1425 4th Av #725	Bayside Gold & Diamond Exchange	yes	no
60689	Hwang Kum H	1424 4th Av #1000	GR Enterprise AB Loan	yes	no
503751	Janson & Bloch	1400 2nd Av		no	no
4603	Liberty Jewelry & Loan Co Inc.	116 Pike St.	Liberty Jewelry and Loan	yes	yes
17633	Olympic Jewelers Ltd.	505 Olive Wy	Provident Loan	yes	no
15607	Palace Jewelry & Loan Inc.	1400 2nd Av	Palace Loan	yes	yes
146613	Rare Coin Galleries	1521 3rd Av	Rare Coin Galleries	yes	yes
128567	Ro Kenny	1208 1st Av	Freedman's Loan	yes	no
141843	Rogers Ronald M	1425 4th Av #1020	Rogers Timepieces/NW Collateral	yes	no
CLOSED -157495	Seharf Sam d	1509-2nd Av	City Pawn	no	no
22111	The Goldman Corporation	1521 1st Av	Ace Loan (Goldman's)	yes	yes
146027	McDavid & Richey Inc.	4507 Sunnyside Av N #C	Capitol Loans II	yes	yes
13007	Central Loan Inc.	1016 1st Av	Central Loan	yes	yes
38551	Steinberg & Steinberg Trust	627 1st Av	Totem Pole Loans	yes	yes
45425	Steinberg B & Steinberg B	401 2nd Av #EXT So	Bamey's Jewelry and Loan	yes	yes
7779	Warshal's Inc.	1000 1st Av	Warshal's	yes	no
154351	Capitol Collateral Inc.	4553 University Wy NE		no	no
131011	Yusen Steven A	2033 6th Av #917		no	no
154351	Capitol Collateral Inc.	620 E. Pine St.	Capitol Loans	yes	yes
131011	Yusen Steven A	1828 Broadway	Broadway Jewelry and Loan	yes	yes
183211	Coulter & Murrey	11530 Lake City Wy NE	Express Loans	yes	yes
188008	Pawn X-Change LLC	12700 Lake City Wy NE	Pawn X-Change	yes	yes
500017	Aurora Loan & Pawn Inc.	12220 Aurora Av N	Aurora Loan	yes	yes
172117	Timid Sales Inc.	14058 Aurora Av N	Timid Guns	yes	yes
178480	Seattle Jewelry & Loan Inc.	10207 16th Av SW		no	no
188008	Pawn X-Change LLC	9550 Aurora Av N	Pawn X-Change	yes	yes

MKD:gh
November 20, 1997
pawncord.doc
(Ver. 1)

ORDINANCE _____

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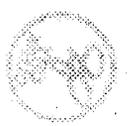
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MKD:gh
November 20, 1997
paword.doc
(Ver. 1)

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President _____ of the City Council

17 Approved by me this ____ day of _____, 1997.

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19 Mayor

20 Filed by me this ____ day of _____, 1997.

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22 City Clerk

23 (Seal) functional successor. Subsections A and B shall not restrict reissuance of a Pawnbroker endorsement
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24 C. The Chief of Police shall adopt and publicize a process for allocating new Pawnbroker



City of Seattle

97-339

OK to form MKD 11/20/97

Norman B. Rice, Mayor

Executive Department - Office of Management and Planning

Judy Bunnell, Director

November 20, 1997

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING DEPARTMENT: Police Department

SUBJECT: AN ORDINANCE relating to pawnshops; extending the limitation of pawnbrokers endorsements issued; and amending the Seattle Municipal Code Section 6.288.065.

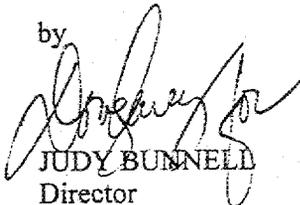
Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Doug Carey at 684-8067.

Sincerely,

Norman B. Rice
Mayor

by


JUDY BUNNELL
Director

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Enclosure

Seattle Municipal Building, 600 Fourth Avenue, Seattle, WA 98104-1826
Tel: (206) 684-8080, TDD (206) 684-8118, FAX: (206) 233-0085

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STATE OF WASHINGTON - KING COUNTY

87833

—SS.

City of Seattle, City Clerk

No. ORDINANCE IN

City of Seattle

ORDINANCE 118831

AN ORDINANCE relating to pawnshops, extending the limitation of pawnbroker endorsements issued, and amending the Seattle Municipal Code section 6.288.065.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Section 6.288.065 is amended as follows:

6.288.065 PAWNBROKERS — LIMITATION ON NUMBERS.

A. (Until January 1, 1998, only a limited number of Pawnbroker endorsements may be issued for the conduct of pawnbroker businesses at locations not licensed for pawnbroker activity on the effective date of the ordinance codified in this section. That limited number of new location Pawnbroker endorsements shall be not greater than twenty five percent (25%) of the number of lawful Pawnbroker endorsements existing on the effective date of the ordinance codified in this section. If not already a whole number, this growth limitation shall be rounded up to the nearest whole number. Moreover, from December 26, 1994, until January 1, 1996, no more than two (2) Pawnbroker endorsements shall be issued for the conduct of pawnbroker business at locations not licensed for pawnbroker activity on December 25, 1994.) From January 1, 1996, until January 1, (1998) 2000 no more than two (2) Pawnbroker endorsements shall be issued in each calendar year for the conduct of pawnbroker businesses at locations not licensed for pawnbroker activity on December 31st of the immediately preceding year.

B. Notwithstanding anything contained in subsection A of this section, no Pawnbroker endorsement shall be issued for the conduct of a pawnbroker business at a location not licensed for pawnbroker activity in the previous year if, on the March 30th next preceding the effective date of the license for which the Pawnbroker endorsement is sought, the number of locations licensed for pawnbroker activity exceeds one (1) for every fifteen thousand (15,000) inhabitants of the City, as reflected in the then most current final population figures available from the Washington State Office of Financial Management or its functional successor. Subsections A and B shall not restrict reissuance of a Pawnbroker endorsement to a new location.

C. The Chief of Police shall adopt and publicize a process for allocating new Pawnbroker endorsements by chance if there are or there are reasonably expected to be more new applicants in a year or other pertinent time period than the number of new endorsements permitted.

D. The Chief of Police shall report to the City Council's Public Safety Committee or its functional successor during (1997) 1999 the status of its program for tracking pawn transactions and monitoring pawnshop operations.

Section 2. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 1st day of December, 1997, and signed by me in open session in authentication of its passage this 1st day of December, 1997.

JAN DRAGO
President of the City Council

...this 1st day of Decem-

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118831

was published on

12/19/97

The amount of the fee charged for the foregoing publication is the sum of \$ _____, which amount has been paid in full.

K. Cameron

Subscribed and sworn to before me on

[Signature]
04/28/98

Notary Public for the State of Washington,
residing in Seattle